

Erik Seidenglanz,  
Elishba Iturra,  
1410 Ewing St.  
Los Angeles, California 90026  
(415) 685-3289  
[real@playplayplay.org](mailto:real@playplayplay.org)

DEFENDANTS IN PRO PER

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES  
STANLEY MOSK COURTHOUSE

LONGPLATT. CO.

Plaintiff,

vs.

ERIK SEIDENGLANZ, ELISHBA ITURRA

Defendants.

Case No.: 20STUD02828

REQUEST FOR JUDICIAL NOTICE/ EXHIBIT LIST v.1;  
Exhibits C

Date: JUNE 25 2021  
Dept : 91

Defendants Seidenglanz , respectfully request that the Court take judicial notice of the first filing by Defendants titled Opposition to Ex Parte Writ of Possession and supporting Declarations by Martin Mervel, Erik Seidenglanz, Elishba Iturra Seidenglanz, in this action, as well as the following attached documents filed with this Court, not only in this instant matter, but also in the Quiet Title action titled: Erik Seidenglanz v. Cheney Shapiro, et al, Los Angeles Superior Court, Case No. STCV04360, pursuant to Evidence Code section 452(d) and 453.

Additionally, defendants request that this Court take judicial notice of the following copies of recorded documents attached hereto, also pursuant to Evidence Code section 452(d) as well as sections 452(g), 452(h), and 453, and the following case law: Cannon v. Stocknon;

Due to sheer volume of documentation, we will be providing it in sections as follows:

We were inundated with a computer virus that prevented access to the evidence we needed to share. More on this in subsequent declaration. We will be efileing it with the court and sharing it with plaintiff through the night, as files become available again.

EXHIBITS LIST V.001

A. DECLARATIONS

Exhibit #A1: Declaration In Support of Adverse Possessors by Third Party

Neighbor ISABELLE BUCKLEY

B. RECORDS OF THIS CASE TO NOTICE:

Exhibit #B1: *Ruling on Plaintiff's Motion for Summary Judgement* by Honorable Judge Upinder

S. Kalra dated January 27, 2021

Exhibit #B2: ¶8 - ¶12 Disclosure of First Request for Accommodations By Persons With Disabilities and Response

Exhibit #B3 Opposition to Ex Parte Writ of Possession and supporting

Declaration by Martin Mervel, licensed architect

Declaration by Erik Seidenglanz

Declaration by Elishba Iturra Seidenglanz

MORE TBA

C. CONVEYANCES FROM THE LOS ANGELES COUNTY RECORDER'S OFFICE

Exhibit #C1: TBA

Exhibit #C2: Grant Deed recorded in the Los Angeles County Recorder's Office on May 28, 2020 as Document No. 20200580097, Book 11, Pages 190/191 (Plaintiff Cheney Shapiro to Plaintiff Longplatt Co.); for a value exempt of "Documentary Transfer Tax \$0.00 - a bonafide gift and grantor received nothing in return Rev. & Tax Code §11911"

Exhibit #C3: Deed of Trust recorded in the Los Angeles County Recorder's Office on March 06, 2020 as Document No. 20200268719, Book 11, Pages 190/191 (Cheney Shapiro/LMF2 LP) for a value consideration of \$505,000.

1 Exhibit #C4: Grant Deed recorded in the Los Angeles County Recorder Office on March 06,  
2 2020 as Document No. 20200268718, Book 11, Pages 190/191 (Wilmington Savings Fund Society  
3 FSB d/b/a/ Christiana Trust, Not In Its Individual Capacity But Solely As Certificate  
4 Trustee for NRP Mortgage Trust 1 to Plaintiff Cheney Shapiro) for a supposed value of  
5 \$720,000.

6 Exhibit #C5: Quitclaim Deed Accommodation Recording in the Los Angeles County Recorder's  
7 Office on January 29, 2020 as Document No. 20200109711 in Book 11, Pages 190/191 between  
8 Lendinghome Funding Corp. to Wilimington Savings Fund Society FSB d/b/a Chrisitiana Trust,  
9 Not In Its Full Capacity But Solely As Certificate Trustee for NRP Mortgage Trust 1) for a  
10 supposed value of \$690,000.

11 Exhibit #C6: Trustee's Deed Upon Sale recorded in the Los Angeles County Recorder's Office  
12 on December 24, 2019 as Document No. 20191438973 between 1968 Avon LLC and Lendinghome  
13 Funding Corporation for \$690,000.

14  
15 Exhibit #C7: Notice of Trustee's Sale recorded in the Los Angeles County Recorder's  
16 Office on November 12, 2019 as Document No. 20191219833 for \$872,297.

17  
18 Exhibit #C8: Deed of Trust, Assignment of Rents, and Fixture Filing recorded in the Los  
19 Angeles County Recorder's Office on April 30, 2018 as Document No. 20180416469 between  
20 1968 Avon LLC from Lendinghome Funding Corporation for \$999,900.

21 Exhibit #C9: Grant Deed recorded in the Los Angeles County Recorder's Office on April 30  
22 2019 as Document No. 20180416468 by Sa Development LLC to 1968 Avon LLC for \$915,000.

23  
24 Exhibit #C10: **Notice of Constraints to Landlords and Successors in Interest** recorded  
25 in the Los Angeles County Recorder's Office on April 10, 2019 as Document No. 20180345237  
26 by Los Angeles City Housing and Community Investment regarding Sa Development LLC and  
27 *Ellis Act Withdrawl from the Rental Market*  
28

1 Exhibit #C11: Title Report provided by Joanne Galin of Orange Coast Title also known  
2 as Title Advantage.

3  
4 **END OF PART ONE**  
5

6 Executed June 25, 2021  
7

8   
9 SIGNATURE

10 Elishba Iturra Seidenglanz

11   
12 ERIK SEIDENGLANZ

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28  
Defendants in Pro Per

1 Erik Seidenglanz, Elishba Iturra  
 2 IN FORMA PAUPERIS  
 3 1410 Ewing St.  
 4 Los Angeles, California 90026  
 5 (415) 685-3289  
 6 real@playplayplay.org

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 8 FOR THE COUNTY OF LOS ANGELES  
 9 STANLEY MOSK COURTHOUSE

10 LONGPLATT CO., CHENEY SHAPIRO

Case No.: 20STUD02828

11 Plaintiff,

12 vs.

DECLARATION IN SUPPORT OF ADVERSE POSSES-  
 SOR DEFENDANTS SEIDENGLANZ BY THIRD PARTY  
 NEIGHBOR ISABELLE BUCKLEY

13 ERIK SEIDENGLANZ & ELISHBA ITURRA  
 14 SEIDENGLANZ

HONORABLE JUDGE GEORGE BIRD

15 Defendants.

Date: 06/22/2021

Dept : 91

16 I, ISABELLE BUCKLEY, do hereby declare as follows:

- 17 1. I am over the age of 18, and I have personal and first hand knowledge  
 18 of the following and if sworn as a witness I would and could testify  
 19 completely thereto.
- 20 2. In and at all times relevant my primary residence is in the County of  
 21 Los Angeles, State of California.
- 22 3. For the past 27 years, hereinafter called "residency", since 1993, I  
 23 have lived in the vicinity of that certain real property (hereinafter  
 24 "Premises") situated in Los Angeles County, State of California, described  
 25 as follows: 1410 EWING ST. LOS ANGELES, CA 90026. I have been and presently  
 26 am familiar with the nature, extent, use, and occupancy of the Premises.
- 27 4. During the past 27 years, since 1993, I have lived at 1415 Ewing St.  
 28 Los Angeles, CA 90026-1912 of Los Angeles County in the property opposite  
 side of the street to the Premises. I have had the opportunity to know who  
 the users and occupants of the Premises have been and, do in fact know who  
 the users of the Premises have been, who has occupied the Premises, and how  
 the Premises have been used during my residency. .
5. During my residency, the house sat empty for many years.
6. Besides Ruben Pena. whom had lived in the house briefly in the early  
 2000s, all of the Premises have been claimed by Erik Seidenqlanz and  
 Elishba Iturra Seidenglanz, and their nonprofit, Harwell Hamilton Harris  
 Fellowship Parkway Conservancy.
7. Elishba Iturra started living at the premises in the Summer of 2012.  
 Her husband moved into the Premises together in 2016.



- 1 8. Erik Seidenglanz and Elishba Iturra Seidenglanz have cultivated, used,  
2 and enjoyed the Premises. I have seen them grow fruits and vegetables.
- 3 9. During my residency, Erik Seidenglanz and Elishba Iturra Seidenglanz  
4 have made substantial improvements on the Premises as follows: They ordered  
5 a new street light installed by LADWP. They removed overgrown invasive  
6 plants from the property that was hiding the entire house. They planted a  
7 wildflower garden and began a bird sanctuary. First, they painted the house  
8 in black chalkboard house; then they refaced the siding with new redwood in  
9 a horizontal pattern expanding the house by 4ft on each side, and painted  
10 the sides in bright colors to attract the birds.
- 11 10. I witnessed their marriage when they told me about it. I also felt  
12 their loss when they told me about their miscarriage.
- 13 11. I was also witness to the illegal construction performed upon their  
14 lower building. Since mid-2019, they were subjugated to never leaving the  
15 premises due to the constant presence of the contractor and crew performing  
16 the illegal construction activities.
- 17 12. Erik told me the illegal construction activity had escalated into  
18 stalking and harassment by the prime contractor and his crew--That his  
19 friend's vehicle was stolen on the same night that there were multiple  
20 people surrounding their house - They were concerned for their safety. So  
21 when he asked me to keep my driveway lights on through the night and he  
22 would pay the extra electricity bill , I agreed, and do leave the lights  
23 on, and the bill would not be necessary.
- 24 13. I built my home with my husband in 1993. I have first hand knowledge  
25 of the procedures to perform construction on this hillside. Due to zoning  
26 and Hillside Ordinance, all properties on this tract with any construction  
27 plans, at every stage of the development is supposed to go through rigorous  
28 scrutiny from the Bureau of Engineers, Los Angeles Building and Safety, and  
City Council.
14. In 1993, I paid for the paving of Ewing St (Husted St.) for the  
purposes of transporting construction materials to and from the site, also  
known as Haul Route. To pave the road cost about 100,000 USD.
15. My opinion of how the house reached this abandoned state is partly  
due to the difficulty of acquiring permits to build/demolish in conjunction  
with the Ellis Act provisions imposed developers and protecting upon Ruben  
Pena. and subsequently the restrictions encumbering the title to the  
property. Ellis Act evictions require an Owner Move-In for 5-10years and  
provide a Tentant Relocation fund for removing elderly/disabled tenants  
such as Ruben Pena. This property flip becomes an impossibility, if one is  
secretly a developer.
16. By the time they moved in, the house was completely engulfed in  
overgrown plants. One walking by would not know it was there. The house was  
showing signs of abandonment prior to entry of Erik Seidenglanz and Elishba  
Iturra. Yet they managed to restore it with their own hands in the style of  
18<sup>th</sup> century Japanese house.
17. The boundaries of the Premises are defined by the following:

1 18. The fencing was once a large bush. They have maintained a trellis  
2 fence, a roses planter fence, and now a cliffside fence built with rocks,  
so the neighbors may see their progress in restoring the house.

3 19. The Premises have been actually occupied by Erik Seidenglanz and  
4 Elishba Iturra Seidenglanz for many years. Such occupancy and claim of  
title have been open, visible, continuous, notorious, peaceable, and  
adverse to all persons claiming an interest in the Premiss.

5 The facts stated above are known to me to be true and of my own personal  
6 knowledge.

7 Executed by third party neighbor in support of adverse possessor defendants on  
June 22, 2021

8  
9   
10 ISABELLE BUCKLEY

## Title documents





This page is part of your document - DO NOT DISCARD



**20200580097**



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/28/20 AT 01:36PM

Pages:  
0002

FEES:	22.00
TAXES:	0.00
OTHER:	0.00
SB2:	75.00
PAID:	97.00



LEADSHEET



202005280180072

00018304302



010790923

SEQ:  
01

SECURE - Daily



THIS FORM IS NOT TO BE DUPLICATED

**RECORDING REQUESTED BY:**

Longplatt Co.

**AND WHEN RECORDED MAIL TO:**

Longplatt Co.  
2714 Montecito Street  
Los Angeles, CA 90031

THIS SPACE FOR RECORDER'S USE ONLY

Title Order No.:

Escrow No.:

**GRANT DEED**

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$0.00 CITY TRANSFER TAX \$0.00

- ☒ computed on full value of property conveyed, or  
☐ computed on full value less liens or encumbrances remaining at the time of sale.  
☐ unincorporated area: ☒ City of Los Angeles

"This is a bonafide gift and grantor received nothing in return, R&T 11911."

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Cheney Shapiro, Trustee of the Cheney Shapiro 401K dated January 1, 2011 who acquired title as The Cheney Shapiro 401K dated January 1, 2011**

Trustee of ..  
hereby GRANT(S) to **Longplatt Co., a California corporation**

the real property in the City of Los Angeles, County of Los Angeles, State of California, described as:

Lot 18 of the Elysian View Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 11 Pages 190 of Maps, in the office of the County Recorder of said County. Together with a portion of vacated street of Ewing Street as stated in Resolution to Vacate No. 11-140128 recorded June 20, 2012 as instrument Number 20120915505, of official records.

Commonly known as: **1968 Avon Street, Los Angeles, CA 90026**

Parcel No. **5415-009-041**

Dated: **May 15, 2020**

The Cheney Shapiro 401K Dated January 1, 2011

By:   
Cheney Shapiro, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF Los Angeles }S.S.

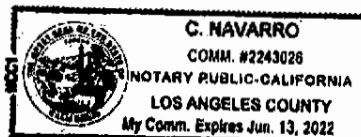
On MAY 15, 2020, before me, C. NAVARRO, a Notary Public personally appeared Cheney Shapiro who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



MAIL TAX STATEMENTS TO PARTY SHOWN BELOW; IF NO PARTY SHOWN, MAIL AS SHOWN ABOVE

## Title documents



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**20200268719**



Pages:  
0022

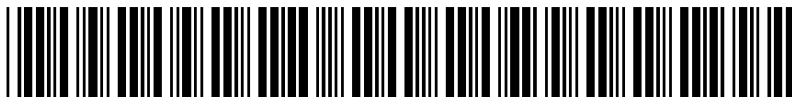
Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

03/06/20 AT 08:00AM

FEES:	87.00
TAXES:	0.00
OTHER:	0.00
<hr/>	
PAID:	87.00



LEADSHEET



202003060280008

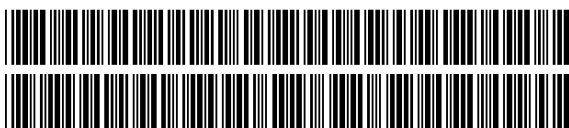
00017977594



010577452

SEQ:  
02

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E08\_200305\_7400767

Recording Requested By  
ServiceLink

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME LMF 2, LP A CALIFORNIA LIMITED PARTNERSHIP

STREET ADDRESS 11696 SORRENTO VALLEY ROAD #201

CITY, STATE & ZIP CODE SAN DIEGO, CA 92121

SPACE ABOVE FOR RECORDER'S USE ONLY

## DEED OF TRUST

### Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION  
(\$3.00 Additional Recording Fee Applies)

**Recording Requested By:**

LMF 2, LP

**And After Recording Return To:**

LMF 2, LP, A CALIFORNIA  
LIMITED PARTNERSHIP  
11696 SORRENTO VALLEY ROAD, #201  
SAN DIEGO, CALIFORNIA 92121  
Loan Number:  
549300AAWFEC6CRH6N89-0304A-20

\_\_\_\_\_[Space Above This Line For Recording Data]\_\_\_\_\_

## DEED OF TRUST

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated MARCH 4, 2020, together with all Riders to this document.

(B) "Borrower" is THE CHENEY SHAPIRO 401K DATED JANUARY 1, 2011  
BORROWER'S ADDRESS IS 1810 AVALON ST, LOS ANGELES, CALIFORNIA 90026.

Borrower is the trustor under this Security Instrument.

(C) "Lender" is LMF 2, LP

Lender is a CALIFORNIA LIMITED PARTNERSHIP organized  
and existing under the laws of CALIFORNIA  
Lender's address is 11696 SORRENTO VALLEY ROAD, #201, SAN DIEGO, CALIFORNIA 92121

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is FCI LENDER SERVICES, INC., A CALIFORNIA CORPORATION  
8180 EAST KAISER BLVD, ANAHEIM HILLS, CALIFORNIA 92808

(E) "Note" means the promissory note signed by Borrower and dated MARCH 4, 2020  
The Note states that Borrower owes Lender FIVE HUNDRED FIVE THOUSAND AND 00/100  
Dollars (U.S. \$ 505,000.00 )



plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than APRIL 1, 2021.

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- |  |   |
|--|---|
| <input type="checkbox"/> Adjustable Rate Rider       | <input type="checkbox"/> Planned Unit Development Rider |
| <input type="checkbox"/> Balloon Rider               | <input type="checkbox"/> Biweekly Payment Rider         |
| <input checked="" type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Second Home Rider              |
| <input type="checkbox"/> Condominium Rider           | <input type="checkbox"/> Other(s) [specify]             |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

## TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

COUNTY of LOS ANGELES :  
[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".  
A.P.N.: 5415-009-041

which currently has the address of 1968 AVON ST

LOS ANGELES, California 90026 ("Property Address"):  
[City] [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

### UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights

hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater

or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released

proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for



Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums

secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such

other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized

to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; ~~(c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and~~ (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

**23. Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

**24. Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

**25. Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**



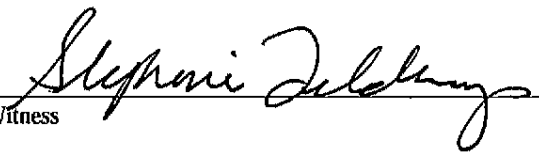
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

The undersigned Borrower requests that a copy of any Notice of Default and any Notice of Sale under this Security Instrument be mailed to Borrower at the address set forth above.

THE CHENEY SHAPIRO 401K DATED  
JANUARY 1, 2011

  
Borrower CHENEY SHAPIRO 3/4/20 Date

  
Witness

  
Witness

[Space Below This Line For Acknowledgment]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA )

County of LOS ANGELES )

On 3/4/2020 before me, Ching Chung Chang, Notary Public  
Date Here Insert Name and Title of the Notarizing Officer

personally appeared CHENEY SHAPIRO

Name(s) of Signer(s)

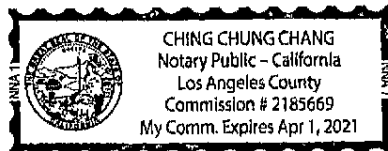
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Ching Chung Chang  
Signature of Notary Public

Notary Seal



Loan Originator: JUSTIN LANTZMAN, NMLSR ID 312223  
Loan Originator Organization: LANTZMAN MANAGEMENT, INC., NMLSR ID 296471

Loan Number: 549300AAWFEC6CRH6N89-0304A-20

Date: MARCH 4, 2020

Property Address: 1968 AVON ST  
LOS ANGELES, CALIFORNIA 90026

## EXHIBIT "A"

### LEGAL DESCRIPTION

A.P.N. # : 5415-009-041

**LEGAL DESCRIPTION**

**EXHIBIT "A"**

**ALL THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA BEING KNOWN AND DESIGNATED AS FOLLOWS:**

**LOT 18 OF THE ELYSIAN VIEW TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11 PAGE(S) 190 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.**

**TOGETHER WITH A PORTION OF VACATED STREET OF EWING STREET AS STATED IN RESOLUTION TO VACATE NO. 11-1401028 RECORDED JUNE 20 2012 AS INSTRUMENT NUMBER 20120915505, OF OFFICIAL RECORDS.**

**APN: 5415-009-041.**

## 1-4 FAMILY RIDER (Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this 4th day of MARCH, 2020, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to LMF 2, LP, A CALIFORNIA LIMITED PARTNERSHIP

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

1968 AVON ST, LOS ANGELES, CALIFORNIA 90026  
[Property Address]

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT.** In addition to the Property described in Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

**B. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

**C. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

**D. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

**E. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Section 19 is deleted.

**F. BORROWER'S OCCUPANCY.** Unless Lender and Borrower otherwise agree in writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

**G. ASSIGNMENT OF LEASES.** Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default

or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

**I. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this 1-4 Family Rider.

THE CHENEY SHAPIRO 401K  
DATED JANUARY 1, 2011

 (Seal)  
CHENEY SHAPIRO -Borrower

## Title documents





This page is part of your document - DO NOT DISCARD



**20200268718**



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

03/06/20 AT 08:00AM

FEES: 25.00

TAXES: 4,032.00

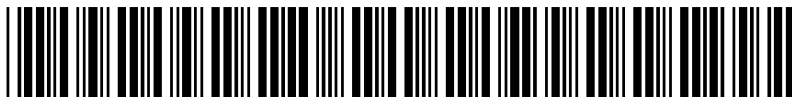
OTHER: 0.00

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PAID: 4,057.00



LEADSHEET



202003060280008

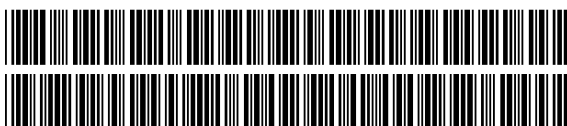
00017977593



010577452

SEQ:  
01

SECURE - 8:00AM



**THIS FORM IS NOT TO BE DUPLICATED**

E08\_200305\_7400767

RECORDING REQUESTED BY:  
ServiceLink Title Company

When Recorded Mail Document  
and Tax Statement To:  
Cheney Shapiro 401k  
1810 AVALON ST  
LOS ANGELES, CA 90026

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Order No.: 191294667

APN/Parcel ID(s): 5415-009-041

### GRANT DEED

The undersigned grantor(s) declare(s)

- ☐ This transfer is exempt from the documentary transfer tax.
- ☒ The documentary transfer tax is \$ \* and is computed on:
- ☒ the full value of the interest or property conveyed.
- ☐ the full value less the liens or encumbrances remaining thereon at the time of sale.
- The property is located in ☒ the City of Los Angeles.

\* County: \$792.00  
City: \$3,240.00

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, WILMINGTON SAVINGS FUND SOCIETY, FSB, DOING BUSINESS AS CHRISTIANA TRUST, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS CERTIFICATE TRUSTEE FOR NRP MORTGAGE TRUST I

hereby GRANT(S) to THE CHENEY SHAPIRO 401K DATED JANUARY 1, 2011

the following described real property in the City of Los Angeles, County of Los Angeles, State of California:

For APN/Parcel ID(s): 5415-009-041

All that certain parcel of land situated in the County of Los Angeles and State of California being known and designated as follows:

Lot 18 of the Elysian View Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per map Recorded in Book 11 Page(s) 190 of Maps, in the office of the County Recorder of said County.

Together with a portion of vacated street of Ewing Street as stated in Resolution to Vacate No. 11-1401028 recorded June 20 2012 as Instrument Number 20120915505, of official records.

APN: 5415-009-041.

**GRANT DEED**

(continued)

APN/Parcel ID(s): 5415-009-041

Dated: March 3, 2020

IN WITNESS WHEREOF, the undersigned have executed this document on the date(s) set forth below.

WILMINGTON SAVINGS FUND SOCIETY, FSB, DOING BUSINESS AS CHRISTIANA TRUST, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS CERTIFICATE TRUSTEE FOR NRP MORTGAGE TRUST I, BY LENDING HOME FUNDING CORPORATION AS ATTORNEY IN FACT

BY: [Signature]

NAME: Kevin Chase Scott

ITS: Servicing Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Pennsylvania

County of Allegheny

On March 3, 2020 before me, Krystal L Foster, Notary Public,  
(here insert name and title of the officer)

personally appeared Kevin Chase Scott  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]  
Signature Krystal L Foster

(Seal)

Commonwealth of Pennsylvania - Notary Seal  
KRYSTAL L FOSTER - Notary Public  
Fayette County  
My Commission Expires Mar 11, 2023  
Commission Number 1344089

## Title documents



This page is part of your document - DO NOT DISCARD



**20200109711**



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

01/29/20 AT 08:00AM

FEES: 45.00  
TAXES: 3,864.00  
OTHER: 0.00

**PCOR SURCHARGE \$20.00**

PAID: 3,909.00



LEADSHEET



202001290130016

00017809048



010478898

SEQ:  
08

DAR - Title Company (Hard Copy)



**THIS FORM IS NOT TO BE DUPLICATED**

RECORDING REQUESTED BY:

**Title365**

MAIL TAX STATEMENTS TO:

Wilmington Savings Fund Society,  
Trustee for NRP Mortgage Trust I  
c/o LendingHome Funding Corp.  
2 Allegheny Center  
Suite 200, Nova Tower 2  
Pittsburgh, PA 15212



Trustee Sale No.: CA-19-865003-SH

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Order No.: DS7300-19004682

28

Accommodation Recording

## QUITCLAIM DEED

### THE UNDERSIGNED GRANTOR(S) DECLARE(S):

<input checked="" type="checkbox"/>	Document Transfer Tax is: <b>\$759.00</b>
<input checked="" type="checkbox"/>	Document City Transfer Tax is: <b>\$3,105.00</b>
<input type="checkbox"/>	Computed on full value of property conveyed
<input checked="" type="checkbox"/>	Computed on full value less value of liens or encumbrances remaining at time of sale: <b>\$690,000.00</b>
<input type="checkbox"/>	This transaction is exempt from the requirements of the Revenue and Taxation Code, "Section 11922"
<input checked="" type="checkbox"/>	A.P.N.: 5415-009-041

For valuable consideration, receipt of which is hereby acknowledged,

**LendingHome Funding Corp**

hereby REMISE(S), RELEASE(S) AND QUITCLAIM(S) to

**Wilmington Savings Fund Society, FSB, doing business as Christiana  
Trust, not in its individual capacity but solely as Certificate Trustee for NRP Mortgage Trust I**

the real property situated in the County of **LOS ANGELES** State of **California**, more particularly described as follows:

Lot 18 of the Elysian View Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 11, Page 190 of Maps, in the Office of the County Recorder of said County. Together with a portion of vacated street of Ewing Street as stated in Resolution to Vacate No. 11-1401028 recorded June 20 2012 as Instrument Number 20120915505, of Official Records.

Accommodation Recording

Mail Tax Statements To:  
Address Above

Accommodation Recording

8

Trustee Sale No.: CA-19-865003-SH

Dated: January 17, 2020

  
LendingHome Funding Corp

By: Kevin Chase Scott

State of: Pennsylvania

County of: Allegheny

On January 17, 2020, before me Teresa A. Hunt Notary Public personally appeared Kevin Chase Scott, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under *PENALTY OF PERJURY* under the laws of the state of Pennsylvania that the foregoing paragraph is true and correct.

Witness my hand and official seal.

  
Signature

(NOTARY SEAL)

Commonwealth of Pennsylvania - Notary Seal  
Teresa A. Hunt, Notary Public  
Allegheny County  
My commission expires March 12, 2023  
Commission number 1192888  
Member, Pennsylvania Association of Notaries

## Title documents





This page is part of your document - DO NOT DISCARD



**20191438973**



Pages:  
0004

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

12/24/19 AT 08:00AM

FEES:	26.00
TAXES:	0.00
OTHER:	0.00
SB2:	75.00
PAID:	101.00



LEADSHEET



201912240240017

00017661321



010392320

SEQ:  
09

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

Recording requested by:

**Title365**

And when recorded mail to:

LendingHome Funding Corp.  
2 Allegheny Center  
Suite 200, Nova Tower 2  
Pittsburgh, PA 15212



Forward tax statements to the address given above

TS No.: CA-19-865003-SH  
Order No.: DS7300-19004682

Space above this line for recorders use

## Trustee's Deed Upon Sale

A.P.N.: 5415-009-041

Exempt pursuant to Cal Rev and Tax Code §11926

### THE UNDERSIGNED GRANTOR DECLARES:

The Grantee Herein **IS** the Foreclosing Beneficiary

The amount of the unpaid debt together with costs was:

\$885,241.69

The amount paid by the grantee at the trustee sale was:

\$690,000.00

The documentary transfer tax is:

NONE

Said property is in the City of: **LOS ANGELES**, County of **LOS ANGELES**

**QUALITY LOAN SERVICE CORPORATION** as Trustee, (whereas so designated in the Deed of Trust hereunder more particularly described or as duly appointed Trustee) does hereby **GRANT** and **CONVEY** to

**LendingHome Funding Corp**

(herein called Grantee) but without covenant or warranty, expressed or implied, all right title and interest conveyed to and now held by it as Trustee under the Deed of Trust in and to the property situated in the county of **LOS ANGELES**, State of California, described as follows:

**Lot 18 of the Elysian View Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 11, Page 190 of Maps, in the Office of the County Recorder of said County. Together with a portion of vacated street of Ewing Street as stated in Resolution to Vacate No. 11-1401028 recorded June 20 2012 as Instrument Number 20120915505, of Official Records.**

When recorded mail and send tax statement to:

LendingHome Funding Corp.  
2 Allegheny Center  
Suite 200, Nova Tower 2  
Pittsburgh, PA 15212

3

This conveyance is made in compliance with the terms and provisions of the Deed of Trust executed by **1968 AVON, LLC, A Wyoming Limited Liability Company**, as trustor, dated **4/24/2018**, and recorded on **4/30/2018** as instrument number **20180416469** of Official Records in the office of the Recorder of **LOS ANGELES**, California, under the authority and powers vested in the Trustee designated in the Deed of Trust or as the duly appointed trustee, default having occurred under the Deed of Trust pursuant to the Notice of Breach and Election to Sell under the Deed of Trust recorded on **8/9/2019**, instrument no **20190796232**, Book , Page , of Official records. The Trustee of record at the relevant time having complied with all applicable statutory requirements of the State of California and performed all duties required by the Deed of Trust including sending a Notice of Default and Election to Sell within ten/thirty days after its recording and a Notice of Sale at least twenty days prior to the Sale Date by certified mail, postage pre-paid to each person entitled to notice in compliance with California Civil Code 2924b.

Default occurred as set forth in a Notice of Breach and Election to Sell which was recorded in the office of the Recorder of said County.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Breach and Election to Sell or the personal delivery of the copy of the Notice of Breach and Election to Sell and the posting and publication of copies of the Notice of Sale have been complied with.

Said property was sold by said Trustee at public auction on **12/12/2019** at the place named in the Notice of Sale, in the County of **LOS ANGELES**, California, in which the property is situated. The foreclosing beneficiary, being the highest bidder at such sale, became the purchaser of said property and paid therefore to said trustee the amount being **\$690,000.00** in lawful money of the United States, or by the satisfaction, pro tanto, of the obligations then secured by said Deed of Trust and instructed said trustee to vest this Trustee's Deed Upon Sale to said Grantee

*When recorded mail and send tax statement to:*

LendingHome Funding Corp.  
2 Allegheny Center  
Suite 200, Nova Tower 2  
Pittsburgh, PA 15212

4

QUALITY MAY BE CONSIDERED A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

TS No.: CA-19-865003-SH

Date: 12/20/19

QUALITY LOAN SERVICE CORPORATION

  
By: Ellene Barnett, Assistant Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of: California)

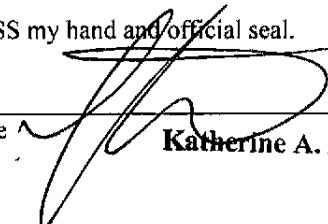
County of: San Diego)

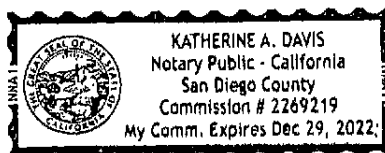
On DEC 20 2019 before me, Katherine A. Davis a notary public, personally appeared Ellene Barnett, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under *PENALTY OF PERJURY* under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature   
Katherine A. Davis



## Title documents



This page is part of your document - DO NOT DISCARD



**20191219833**



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

11/12/19 AT 08:00AM

FEES:	30.00
TAXES:	0.00
OTHER:	0.00
SB2:	75.00
PAID:	105.00



LEADSHEET



20191120180028

00017430152



010279322

SEQ:  
07

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T96

Recording requested by:  
Quality Loan Service Corp.

**Title365**  
When recorded mail to:  
Quality Loan Service Corporation  
2763 Camino Del Rio South  
San Diego, CA 92108



TS No. **CA-19-865003-SH**  
Order No.: **DS7300-19004682**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## NOTICE OF TRUSTEE'S SALE

**YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 4/24/2018. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDING AGAINST YOU, YOU SHOULD CONTACT A LAWYER.**

A public auction sale to the highest bidder for cash, cashier's check drawn on a state or national bank, check drawn by state or federal credit union, or a check drawn by a state or federal savings and loan association, or savings association, or savings bank specified in Section 5102 to the Financial Code and authorized to do business in this state, will be held by duly appointed trustee. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, with interest and late charges thereon, as provided in the note(s), advances, under the terms of the Deed of Trust, interest thereon, fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale.

### **BENEFICIARY MAY ELECT TO BID LESS THAN THE TOTAL AMOUNT DUE.**

Trustor(s): **1968 AVON, LLC, A Wyoming Limited Liability Company**  
Recorded: **4/30/2018 as Instrument No. 20180416469** of Official Records in the office of the Recorder  
of **LOS ANGELES** County, California;

Date of Sale: **12/12/2019 at 10:00 AM**

Place of Sale: **Behind the fountain located in Civic Center Plaza, located at 400 Civic Center Plaza,  
Pomona CA 91766**

Amount of unpaid balance and other charges: **\$872,927.56**

The purported property address is: **1968 AVON ST, LOS ANGELES, CA 90026**

Assessor's Parcel No.: **5415-009-041**

**NOTICE TO POTENTIAL BIDDERS:** If you are considering bidding on this property lien, you should understand that there are risks involved in bidding at a trustee auction. You will be bidding on a lien, not on the property itself. Placing the highest bid at a trustee auction does not automatically entitle you to free and clear ownership of the property. You should also be aware that the lien being auctioned off may be a junior lien. If you are the highest bidder at the auction, you are or may be responsible for paying off all liens senior to the lien being auctioned off, before you can receive clear title to the property. You are encouraged to investigate the existence, priority, and size of outstanding liens that may exist on this property by contacting the county recorder's office or a title insurance company, either of which may charge you a fee for this information. If you consult either of these

resources, you should be aware that the same lender may hold more than one mortgage or deed of trust on the property.

**NOTICE TO PROPERTY OWNER:** The sale date shown on this notice of sale may be postponed one or more times by the mortgagee, beneficiary, trustee, or a court, pursuant to Section 2924g of the California Civil Code. The law requires that information about trustee sale postponements be made available to you and to the public, as a courtesy to those not present at the sale. If you wish to learn whether your sale date has been postponed, and, if applicable, the rescheduled time and date for the sale of this property, you may call 916-939-0772 for information regarding the trustee's sale or visit this Internet Web site <http://www.qualityloan.com>, using the file number assigned to this foreclosure by the Trustee: CA-19-865003-SH. Information about postponements that are very short in duration or that occur close in time to the scheduled sale may not immediately be reflected in the telephone information or on the Internet Web site. The best way to verify postponement information is to attend the scheduled sale.

The undersigned Trustee disclaims any liability for any incorrectness of the property address or other common designation, if any, shown herein. If no street address or other common designation is shown, directions to the location of the property may be obtained by sending a written request to the beneficiary within 10 days of the date of first publication of this Notice of Sale.

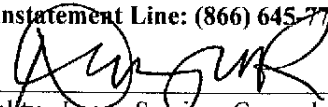
If the sale is set aside for any reason, including if the Trustee is unable to convey title, the Purchaser at the sale shall be entitled only to a return of the monies paid to the Trustee. This shall be the Purchaser's sole and exclusive remedy. The purchaser shall have no further recourse against the Trustor, the Trustee, the Beneficiary, the Beneficiary's Agent, or the Beneficiary's Attorney.

If you have previously been discharged through bankruptcy, you may have been released of personal liability for this loan in which case this letter is intended to exercise the note holders right's against the real property only.

**QUALITY MAY BE CONSIDERED A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

Date: 11/8/2019

Quality Loan Service Corporation  
2763 Camino Del Rio South  
San Diego, CA 92108  
619-645-7711 For NON SALE information only  
Sale Line: 916-939-0772  
Or Login to: <http://www.qualityloan.com>  
Reinstatement Line: (866) 645-7711 Ext 5318

  
Quality Loan Service Corp. by: Ronald Alonzo, Assistant Secretary



## Title documents



This page is part of your document - DO NOT DISCARD



**20180416469**



Pages:  
0037

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

04/30/18 AT 08:00AM

FEES: 172.00

TAXES: 0.00

OTHER: 0.00

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PAID: 172.00



LEADSHEET



201804300110014

00015180765



009054141

SEQ:  
25

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY

Stewart Title Westlake Village  
AND WHEN RECORDED MAIL DOCUMENT TO:

NAME LendingHome Funding Corporation

STREET ADDRESS 315 Montgomery Street, Floor 16

CITY, STATE & ZIP CODE San Francisco, CA. 94104



SPACE ABOVE FOR RECORDER'S USE ONLY

Deed of Trust, Assignment of Rents and Fixture Filing

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION  
(\$3.00 Additional Recording Fee Applies)

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

LendingHome Funding Corporation  
Attn: Closing Department  
315 Montgomery St., Floor 16  
San Francisco, CA, 94104

Loan No:  
33873525

APN No:  
5415-009-041

**INSTRUCTIONS TO RECORDER:**  
Index this document as

- (1) a deed of trust;
- (2) an assignment of rents; and
- (3) a fixture filing.

18000160-60

(Space above this line for Recorder's use)

## DEED OF TRUST, ASSIGNMENT OF RENTS AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND FIXTURE FILING (the "Deed of Trust") is made on 04-24-2018 by:

1968 Avon, LLC, A Wyoming Limited Liability Company  
("Borrower"), whose address is 30 N GOULD ST #R, SHERIDAN, WY, 82801, USA  
in favor of First American Title Insurance Co, a CA Corp  
("Trustee"), whose address is 1 First American Way, Santa Ana, CA 92707  
for the benefit of LendingHome Funding Corporation, a Delaware corporation, as beneficiary ("Lender"), whose address is  
315 Montgomery St., Floor 16, San Francisco, CA 94104.

### WITNESSETH

WHEREAS, Lender has agreed to provide Borrower with a Loan (the "Loan") as evidenced by that certain Promissory Note dated of even date herewith in the amount of \$999,900.00 by and between Lender and Borrower (the "Note"); and

WHEREAS, Lender is making the Loan in reliance on this Deed of Trust, and it is a condition precedent to the making of the Loan by Lender that Borrower execute and deliver this Deed of Trust.

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to Borrower, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby covenants and agrees with Lender, as follows:

4

**GRANTING CLAUSES**

BORROWER IRREVOCABLY GRANTS, CONVEYS, TRANSFERS AND ASSIGNS TO TRUSTEE, IN TRUST, FOR THE USE AND BENEFIT OF LENDER, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Borrower's present and future estate, right, title and interest in and to the following described property (collectively, the "**Property**"):

(A) The real property located in the County of Los Angeles County, State of CA commonly known and addressed as:

1968 AVON ST, LOS ANGELES, CA, 90026

and more particularly described in Exhibit A attached to this Deed of Trust and incorporated herein by reference (the "**Land**"); and

(B) All Buildings, Fixtures, Easements, Rents and Profits, Development Rights, Water Rights, and Mineral Rights, including without limitation all present and future Leases relating to the foregoing real property and all guaranties and security and security deposits supporting such Leases (as those terms are defined in Article I of this Deed of Trust); and

(C) All of the following related to the assets specified in (A) and (B) above, (i) Books and Records, plans, specifications, surveys (ii) Insurance Policies, title insurance policies, sales contracts, construction contracts, architectural agreements, engineering contracts, service and maintenance contracts, management contracts, and marketing contracts; (iii) work product arising from any such contract or agreement; (iv) all warranties, guarantees, and other similar contract rights and (v) all other tangible personal property located on or used in connection with the foregoing (excluding only Consumer Goods as defined in the Uniform Commercial Code).

THIS DEED OF TRUST SECURES THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS (collectively, the "**Obligations**") in such order of priority as Lender may from time to time elect:

(1) Payment and performance of Borrower's indebtedness and obligations under the Note and this Deed of Trust and all extensions, renewals, modifications, and replacements thereof, including the reserve advance pursuant to the Note and Construction Loan Rider (if applicable) ("**Reserve Advance**"); and

(2) Payment and performance of any and all other indebtedness which may hereafter be owing by Borrower to Lender under the Note, this Deed of Trust or other Loan Documents, however incurred, including but not limited to the attorneys' fees, court costs, witness fees, expert witness fees, collection costs, and costs and expenses paid by Lender in the preservation and enforcement of its rights and remedies under this Deed of Trust or other Loan Documents.

(3) To the extent that Lender's rights to recover a deficiency from Borrower are subject to California real property law (including without limitation the provisions of Code of Civil Procedure 580a, 580b, 580d, 580e, 726, 726.5 and 736) Borrower and Lender hereby agree and acknowledge that this Deed of Trust shall not secure the following obligations which are hereby excluded from the definition of "**Obligations**": (i) the obligations of Borrower under Section 2.3 of this Deed of Trust or (ii) any obligations under any other environmental indemnity agreement or (iii) any obligations under any other guaranty or indemnity agreement.

THIS DEED OF TRUST constitutes (i) a personal property security agreement to the extent that it includes personal property assets hereunder that are not real property assets subject to the applicable real property recording statutes (and Borrower hereby grants Lender a security interest in all such personal property assets to secure the Obligations) and (ii) a Fixture Filing in accordance with the Article 9 of the Uniform Commercial Code.

## ARTICLE 1

### DEFINITIONS

For purposes of this Deed of Trust, the following terms shall have the following definitions:

**1.1 Books and Records.** "Books and Records" means all books and records relating to the design, construction, improvement, development, use, ownership, operation, maintenance, repair, lease, taxation or marketing of the Property whether kept in hard copy or electronic form.

**1.2 Buildings.** "Buildings" means all buildings, structures and other improvements now existing or hereafter located on the Land.

**1.3 Condemnation Claims.** "Condemnation Claims" means all claims, actions, causes of action, demands, liens, rights, judgments, settlements, awards, compensation, and damages of every kind and nature which Borrower now has or which may hereafter accrue against any Person, whether arising in tort, by contract or statute, or in any other manner, which in any way directly or indirectly relate to or arise out of any condemnation of the Property or other taking of the Property for public or quasi-public use by eminent domain or to the transfer of the Property in lieu of condemnation or any such taking.

**1.4 Condemnation Proceeds.** "Condemnation Proceeds" means all proceeds, tangible and intangible property resulting from the payment, collection of, recovery on, or other disposition of any or all of the Condemnation Claims.

**1.5 Covenants and Restrictions.** "Covenants and Restrictions" means all covenants, conditions, restrictions, equitable servitudes, and all other similar matters now or hereafter affecting the Property, including any condominium, planned unit development, or cooperative apartment declaration of covenants, conditions and restrictions, by-laws, articles, rules, and regulations to which Borrower or the Property is subject or bound.

**1.6 Development Rights.** "Development Rights" means all existing and future development rights, development credits, air rights, and options of any kind relating to the Property.

**1.7 Easements.** "Easements" means all existing and future easements, rights of way, licenses, and similar rights relating or appurtenant to the Property and all existing and future rights in or to streets, roads, sidewalks, alleys, strips and gores adjoining or used in connection with the Property.

**1.8 Event of Default.** "Event of Default" means any of the events described in Article 3 of this Deed of Trust.

**1.9 Fixtures.** "Fixtures" means all fixtures, machinery, equipment, building materials, appliances, landscaping, systems, built-in furniture, plumbing, electrical, coverings and other commonly recognized fixtures now or hereafter located in, on, attached or affixed to, or used in connection with the Land or the Buildings, including, but not limited to, all HVAC and utility systems; security and access control equipment; water heaters, showers, bathtubs, tanks, pumps, toilets, sinks, pipes, and other plumbing fixtures and equipment; stoves, ranges, refrigerators, dishwashers, and disposals; laundry equipment; engines, motors, generators, boilers, furnaces, and incinerators; wall, window, and floor coverings, including screens, shades, drapes, and awnings; partitions, doors, windows, cabinets, bookcases, and hardware; chandeliers and other light fixtures; trees, plants and other landscaping; and all attachments, substitutions, accessories, accessions, replacements, improvements, and additions to any or all of the foregoing, all of

which shall conclusively be deemed to be part of the Land and Buildings and conveyed by this Deed of Trust, whether or not affixed or attached to the Land or the Buildings.

**1.10 General Partner.** "General Partner" means any Person who is acting as a general partner of a partnership.

**1.11 Governmental Authorities.** "Governmental Authorities" means all governmental or quasi-governmental authorities, boards, bureaus, agencies, commissions, departments, administrative tribunals, and other instrumentalities, judicial and non-judicial authorities, and public utilities having or exercising jurisdiction over Borrower or the Property.

**1.12 Governmental Permits.** "Governmental Permits" means all permits, approvals, and authorizations now or hereafter issued by all Governmental Authorities for or in connection with the Property, including grading permits, foundation permits, building permits, tentative subdivision map approvals, zone changes, zone variances, conditional use permits, temporary certificates of occupancy, and final certificates of occupancy.

**1.13 Governmental Requirements.** "Governmental Requirements" means all existing and future laws, ordinances, rules, regulations, orders, and requirements of all Governmental Authorities applicable to Borrower or the Property, including those respecting the design, construction, improvement, development, use, ownership, operation, maintenance, repair, or marketing of the Property.

**1.14 Guaranty.** "Guaranty" means the guaranty agreement or agreements executed by any Guarantor.

**1.15 Guarantor.** "Guarantor" means the Person or Persons, if any, now or hereafter guaranteeing payment of the Note or payment or performance of any or all of the other Obligations.

**1.16 Impositions.** "Impositions" means all (a) Taxes; (b) Insurance Premiums; (c) gas, electricity, water, sewer, and other utility charges which are incurred for the benefit of the Property or which may become a lien against the Property; (d) assessments, charges, and fees imposed pursuant to any Covenants and Restrictions; (e) assessments, charges and fees payable with respect to any Easements, Water Rights or Development Rights; (f) principal, interest, and other amounts payable in connection with any Liens; and (g) such other taxes, charges, premiums, assessments and impositions relating to the Property, the payment of which Lender determines to be necessary to protect Lender's security for the Obligations.

**1.17 Improvements.** "Improvements" means the Buildings and Fixtures, collectively.

**1.18 Insurance Claims.** "Insurance Claims" means all claims, actions, causes of action, demands, liens, rights, judgments, settlements, awards, compensation, and damages of every kind and nature which Borrower now has or which may hereafter accrue against any Person, whether arising in tort, by contract or statute, or in any other manner, which in any way directly or indirectly relate to or arise under any policy of insurance which Borrower maintains with respect to the Property or which Borrower is required to maintain under this Deed of Trust (collectively, the "Insurance Policies").

**1.19 Insurance Proceeds.** "Insurance Proceeds" means all proceeds, tangible and intangible property resulting from the payment, collection of, recovery on, or other disposition of any or all of the Insurance Claims.

**1.20 Insurance Premiums.** "Insurance Premiums" means all premiums and other amounts payable in connection with procuring or maintaining the Insurance Policies.

**1.21 Leases.** "Leases" means all existing and future rental agreements, leases, licenses, concessions, occupancy agreements, and other similar agreements affecting the Property, including all subleases at any level.

**1.22 Liens.** "Liens" means all mortgages, deeds of trust, mechanics' liens, and other liens and encumbrances of every kind and nature, other than this Deed of Trust, now or hereafter affecting the Property.

**1.23 Loan Documents.** "Loan Documents" means the Note, this Deed of Trust (together with any riders), the Guaranty, and all other documents executed by Borrower or any of the Guarantors and delivered to Lender at Lender's request in connection with the Loan, and all extensions, renewals, modifications, and replacements of such documents.

**1.24 Manager.** "Manager" means any Person who is acting as a manager of a limited liability company, including any member who is acting in such capacity.

**1.25 Mineral Rights.** "Mineral Rights" means all existing and future right, title, and interest in and to all minerals, oil, gas and other hydrocarbon substances in or on the Property.

**1.26 Person.** "Person" means any natural person or any entity, including any corporation, partnership, joint venture, limited liability company, trust, unincorporated organization, trustee, or Governmental Authority.

**1.27 Property Claims.** "Property Claims" means all claims, actions, causes of action, demands, liens, rights, judgments, settlements, awards, compensation, and damages of every kind and nature (other than the Insurance Claims and Condemnation Claims) which Borrower now has or which may hereafter accrue against any Person, whether arising in tort, by contract or statute, or in any other manner, which in any way directly or indirectly relate to or arise out of any or all of the following: (a) the Property; (b) any existing or future fact, matter, occurrence, or transaction relating to the Property; or (c) the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property.

**1.28 Property Proceeds.** "Property Proceeds" means all proceeds, tangible and intangible property resulting from the payment, collection of, recovery on, or other disposition of any or all of the Property Claims.

**1.29 Rents and Profits.** "Rents and Profits" means all existing and future rents, royalties, issues, profits, proceeds, revenues, income and other benefits of the Property and all Leases, including all security deposits and prepaid rent.

**1.30 Taxes.** "Taxes" means (a) all taxes, bonds, levies and assessments now or hereafter affecting the Property, including all general and special real and personal property taxes, bonds, and assessments affecting the Property; (b) all other taxes, bonds, levies and assessments which now are or hereafter may become a lien on the Property, including all income, profits, franchise, withholding, and gross receipt taxes; (c) all other charges now or hereafter imposed on or assessed against the Property by any Governmental Authority or arising with respect to the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property; and (d) all taxes, bonds, levies, and assessments now or hereafter imposed by any Governmental Authorities on Trustee or Lender by reason of their respective interests in the Loan Documents, excluding any franchise, estate, inheritance, income, or similar tax imposed on Lender or Trustee.

**1.31 Tenants.** "Tenants" means all tenants and occupants of the Property under the Leases.

**1.32 Water rights.** "Water rights" means all existing and future water, water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), and all water stock relating to the Property.



## ARTICLE 2

### COVENANTS OF BORROWER

**2.1 Performance of Secured Obligations.** Borrower shall pay and perform each and all of the Obligations in accordance with their respective terms.

**2.2 Preservation of the Property.** Borrower (a) shall maintain the Property in good condition and repair; (b) shall promptly repair and restore in a good and workmanlike manner any part of the Property which may be damaged or destroyed, whether or not any Insurance Proceeds are adequate to pay for the cost of such repair and restoration; (c) shall comply and cause the Property to comply with the provisions of all Insurance Policies; (d) shall comply and cause the Property to comply with all Governmental Requirements; (e) shall comply and cause the Property to comply with all Covenants and Restrictions; (f) shall maintain in effect all Governmental Permits; (g) shall not initiate, join in or consent to any change in the zoning, general plan, specific plan, or any other land use classification affecting the Property or any Covenant or Restriction without the prior written consent of Lender; (h) shall not remove, demolish, improve, add to, or alter the Improvements (excluding non-structural alterations which preserve or increase the value of the Property, alterations required by Governmental Requirements and alterations approved by Lender) or change the character or use of the Property without the prior written consent of Lender; (i) shall not commit or permit any waste respecting the Property or impairment of the Property; (j) shall not abandon the Property; (k) shall not commit or permit any act upon the Property in violation of any Governmental Requirements; (l) shall promptly complete in a good and workmanlike manner, and shall pay, when due, all claims for labor performed and for materials furnished in connection with, Improvements which Borrower commences to construct on the Land; and (m) shall paint, cultivate, irrigate, fertilize, fumigate, prune, maintain and do all other acts, in a timely and proper manner, which from the character or use of the Property may be necessary or appropriate to preserve, protect and maintain the value of the Property. Borrower hereby recognizes and acknowledges that the condition and appraisal of the Property and all relevant documents relating to the Property are important and necessary for Lender to protect its position as secured creditor (whether or not Borrower is a debtor in bankruptcy, receivership, liquidation, credit restructuring case or proceeding under state or Federal or bankruptcy law). Therefore, Borrower hereby agrees: (a) to promptly provide to Lender all documents and filings reasonably requested by Lender which relate to (i) the Property, (ii) its condition, (iii) any operations related thereto, (iv) the maintenance thereof, (v) any taxes or assessments thereon, (vi) any insurance therefor, (vii) any liens, claims or interests thereon asserted by third parties, (viii) any leases thereof, and (ix) any rents or profits arising therefrom; (b) to provide Lender or its agents upon two days notice with reasonable opportunity to conduct an internal and external appraisal of the Property and to cooperate with any reasonable requests in connection with such appraisal; and (c) to coordinate with lender to take the foregoing actions on an expedited basis on not more than one day in the event the Borrower should become a debtor in any bankruptcy, receivership, liquidation or credit restructure case or proceeding under state or Federal bankruptcy law.

**2.3 Hazardous Substances.** As used in this Section 2.3, (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be

appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, Hazardous Substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

**2.4 Insurance.** Borrower shall keep the Improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. Each of the Insurance Policies, including the amounts, form, coverage, deductibles, insurer and loss payable and cancellation provisions, shall be acceptable to Lender and the insurance company providing coverage must have rating of at least A-V or better in the latest edition of "Best's Insurance Guide," must be licensed to do business in the state in which the property is located, and must be licensed to transact the lines of insurance required in this transaction. Without limiting any of the terms of this Section, (i) each of the Insurance Policies shall provide that it may be canceled or modified only upon not less than thirty (30) days prior written notice to Lender; and (ii) the fire and extended coverage and other casualty insurance policies which Borrower is required to maintain under this Deed of Trust shall contain a mortgagee's loss payable endorsement acceptable to Lender naming Lender as loss payee and shall be written with liability in an amount equal to the lesser of (x) the original principal amount of the Loan plus any Reserve Advance and (y) the full replacement cost of the Improvements. Borrower shall provide evidence to Lender of all required insurance hereunder on or before the closing of the Loan.

**2.5 Insurance Policies.** Within thirty (30) days after closing of the Loan, Borrower shall deliver to Lender the originals of all Insurance Policies together with receipts for the full payment of all Insurance Premiums, and Lender shall have the right to hold such policies as long as any Obligations are outstanding. Lender shall not be liable or responsible for the suitability, adequacy, enforceability, validity, amount, form, or content of any Insurance Policies, the solvency of any insurer, or the collection of any Insurance Proceeds, and Borrower shall at all times have full responsibility for all of such matters. Not later than thirty (30) days prior to the expiration of each of the Insurance Policies, Borrower shall deliver to Lender a policy or policies renewing or extending the expiring Insurance Policies together with written evidence showing payment of the Insurance Premiums for such policies. If Borrower fails to deliver any of the Insurance Policies to Lender in accordance with this Deed of Trust, or if any of the Insurance Policies is canceled, Lender, without notice to or demand upon Borrower, shall have the right to obtain such insurance in such form, content and amount and with such insurer as Lender determines to be necessary or appropriate to protect its interest. Without limiting any other provision of this Deed of Trust, all premiums and other costs and expenses paid or incurred by Lender in connection with Lender's obtaining any Insurance Policies under this Section shall be payable by Borrower to Lender on Lender's demand. Neither Trustee nor Lender shall be obligated to obtain or maintain any policy of insurance with respect to the Property. All Insurance Policies relating to the Property and all unearned Insurance Premiums shall automatically inure to the benefit of and be deemed to be assigned to the grantee of the Property at any judicial or nonjudicial foreclosure sale under this Deed of Trust or by any deed in lieu of foreclosure under this Deed of Trust.

**2.6 Assignment of Insurance Claims and Proceeds.** To secure the Obligations, Borrower grants, transfers, and assigns to Lender the Insurance Claims and Insurance Proceeds.

**2.7 Assignment of Condemnation Claims and Proceeds and Other Claims.** To secure the Obligations, Borrower grants, transfers, and assigns to Lender the Condemnation Claims, Condemnation Proceeds, Property Claims, and Property Proceeds.

**2.8 Payment of Proceeds.** Borrower shall cause all Insurance Proceeds, Condemnation Proceeds and Property Proceeds (collectively, the "Proceeds") to be paid or delivered directly to Lender. Lender shall at all times have the right but not the obligation (a) to demand, collect, accept, receive and give receipts for any and all of the Proceeds; and (b) to direct any Person to pay or deliver any or all of the Proceeds directly to Lender. Nothing contained in this Deed of Trust shall be deemed to obligate Lender to make any inquiry as to the sufficiency of any Proceeds received by Lender. If for any reason Borrower receives any Proceeds, Borrower shall immediately pay, assign, endorse or deliver such Proceeds to Lender in the original form in which received by Borrower and shall not commingle such Proceeds with any of Borrower's other funds or property.

**2.9 Prosecution and Settlement of Claims.** Prior to the occurrence of any Event of Default, Borrower shall have a license to prosecute and enforce the Insurance Claims, Condemnation Claims, and Property Claims (collectively, the "Claims"). Lender shall at all times have the right to appear in, defend, and prosecute any action or proceeding arising out of or relating to any or all of the Claims if Lender determines that such action is necessary or appropriate to protect Lender's interest in connection with the Obligations. Upon the occurrence of an Event of Default, Borrower's license to prosecute and enforce the Claims shall be revoked upon, and to the extent provided in, notice by Lender to Borrower. Following such revocation, Lender, at its option, shall have the exclusive right to prosecute and enforce any or all of the Claims to the extent provided in Lender's notice of revocation and to compromise, adjust, settle or dismiss any or all of the Claims, whether or not Lender has taken possession of the Property. Without Lender's prior written consent, Borrower shall not (a) sell, transfer, pledge, hypothecate or otherwise dispose of or abandon any or all of the Claims; or (b) compromise, adjust, settle, or dismiss any or all of the Claims.

**2.10 Title Policy.** Upon recordation of this Deed of Trust, Borrower shall cause the Lender to be furnished with an lender's policy of title insurance acceptable to Lender (a) written in an amount equal to the principal amount of the Loan; (b) issued by a title insurance company acceptable to the Lender; (c) showing title to the Property to be vested in a manner acceptable to the Lender; (d) containing a legal description of the Property satisfactory to the Lender; (e) insuring this Deed of Trust as a first lien on the Property, subject only to such exceptions as have been approved in writing by the Lender, (f) containing such title insurance endorsements as may be required by the Lender; and (g) otherwise acceptable to the Lender in form and substance, including the policy revision date. Within five (5) business days after the Lender's request from time to time, Borrower, at its expense, shall furnish the Lender with such additional title insurance endorsements as the Lender may require insuring the continuing first priority of this Deed of Trust. Borrower shall at all times cooperate with the Lender and its title insurer and provide the Lender's title insurer with such information as such title insurer may request or require in order to provide the Lender with the policies and endorsements described in this Section.

**2.11 Subordinate Mortgages.** Borrower shall not grant or permit any other Lien on the Property ("Subordinate Mortgage") without Lender's prior written consent. To obtain Lender's written consent, which Lender may withhold for any reason in its discretion, Borrower must first deliver to Lender a written agreement, acceptable to Lender, executed by the holder of the Subordinate Mortgage which provides that (a) the Subordinate Mortgage is and shall at all times remain unconditionally subject and subordinate to this Deed of Trust; (b) if any action or proceeding is commenced to foreclose the Subordinate Mortgage, no Tenant under any Lease shall be named as a defendant in such action or proceeding, nor shall such action or proceeding terminate any Lease, without Lender's prior written consent; (c) all Rents and Profits, whether collected directly by the holder of the Subordinate Mortgage or through a receiver, shall be applied first to the Obligations, second to the payment of the Impositions, and thereafter to payment of maintenance and operating costs relating to the Property; and (d) the holder of the Subordinate Mortgage shall give written notice to Lender not later than ten (10) days prior to commencing any judicial or nonjudicial action or proceeding to foreclose the Subordinate Mortgage.

**2.12 Permitted Leasing; Assignment of and Compliance with Leases.** Notwithstanding Section 3.12 below, Borrower shall have the right to enter into Leases in the ordinary course of Borrower's business without Lender's prior written consent, provided that all of the following conditions are satisfied with respect to any such Lease or modification thereto: (a) the term of such Lease, including any extension or renewal options, does not exceed

a total of five (5) years; (b) the form used for such Lease represents a commercially reasonable lease form or has been approved in writing by Lender prior to Borrower's execution of the Lease; (c) such Lease is unconditionally subordinate to this Deed of Trust and contains an attornment provision consistent with Section 2.13 below; (d) no Event of Default has occurred and is continuing at the time of Borrower's execution of such Lease; (e) Borrower provides Lender with an accurate and complete copy of such Lease within ten (10) business days after such Lease is executed by Borrower; (f) Borrower does not collect rent for more than one (1) month in advance; and (g) Borrower does not in any other manner impair Lender's rights with respect to or interest in the Rents and Profits. Upon Lender's request, Borrower shall execute, acknowledge and deliver to Lender an absolute and unconditional assignment acceptable to Lender of all of Borrower's interest in all Leases and all guaranties of and security for the Tenants' respective obligations under the Leases. Borrower shall perform and discharge all obligations of the lessor under the Leases in accordance with the terms thereof and shall diligently enforce all remedies available to Borrower in a commercially reasonable manner in the event of a default by the Tenant under any Lease.

**2.13 Attornment at Lender's Option.** Each Tenant who enters into a Lease for the Property after the date of recordation of this Deed of Trust (each such Lease is referred to as a "Subordinate Lease") and who has not entered into a written non-disturbance and attornment agreement with Lender shall be deemed to have agreed to attorn to Lender and accept Lender as the landlord under its Lease on the terms of this Section. If Lender acquires title to the Property by judicial or nonjudicial foreclosure under this Deed of Trust or by deed in lieu of foreclosure under this Deed of Trust, Lender, at its option, shall have the right to require any or all Tenants under Subordinate Leases to attorn to and accept Lender as the landlord under such Tenant's Subordinate Lease (the "Attornment Option") by giving written notice to such Tenant within thirty (30) days after the date on which Lender acquires title to the Property (the "Acquisition Date"). If Lender exercises the Attornment Option with respect to any Subordinate Lease, such attornment shall be effective and self-operative as of the Acquisition Date without the execution of any further documents on the part of the Tenant, Lender, or any other party, and the Tenant under the Subordinate Lease shall be bound to Lender under all of the terms, covenants, and conditions of the Subordinate Lease for the remaining balance of the term thereof, with the same force and effect as if Lender were the landlord under such Lease. Whether or not Lender exercises its Attornment Option with respect to any Subordinate Lease, Lender (a) shall not be liable for any act or omission of any prior landlord under any Subordinate Lease, including Borrower; (b) shall not be subject to any offset, defense, or claim which any Tenant may have against any prior landlord under any Subordinate Lease, including Borrower; (c) shall not be obligated (i) to return any security deposit now or hereafter paid by any Tenant; (ii) to return any prepaid rent or other amounts prepaid by any Tenant; or (iii) to grant any Tenant a credit for any such security deposit, prepaid rent or other prepaid amounts (excluding monthly rent and other charges which have not been prepaid for more than one month in advance), except to the extent, if any, that Lender has actually and unconditionally received such security deposit, prepaid rent or other prepaid amounts; and (d) shall not be obligated to complete the construction of any or all Improvements. Without limiting the terms of this Section, upon Lender's request, each Tenant under a Subordinate Lease shall execute and deliver to Lender any document which Lender determines to be necessary or appropriate to evidence such Tenant's attornment to Lender on the terms of this Section, including a new lease with Lender on the same terms and conditions as the Subordinate Lease for a term equal to the unexpired term of the Subordinate Lease. Nothing contained in this Section shall be deemed to obligate Lender to recognize any Subordinate Lease or accept an attornment by any Tenant upon Lender's acquisition of title to the Property. If Lender elects not to exercise the Attornment Option within the time period specified in this Section with respect to any Subordinate Lease, such Subordinate Lease and all of the rights, privileges and powers of the Tenant thereunder shall automatically terminate and shall be of no further force or effect from and after the Acquisition Date.

**2.14 No Liability by Lender.** Nothing contained in this Deed of Trust shall be deemed to obligate Lender to prosecute or enforce any or all of the Claims nor shall Lender have any liability or responsibility for any failure or delay by Lender in prosecuting or enforcing any or all of the Claims or to collect any or all of the Proceeds. Borrower shall at all times have the right to determine and follow its own policies and practices in the conduct of its business, subject to the terms and conditions of the Loan Documents.

**2.15 Application of Proceeds.** Lender, at its option, shall have the right (a) to apply any or all Proceeds received by Lender to any or all of the Obligations in such order and manner as Lender shall determine, whether or

not such Obligations are then due and payable and without regard to the adequacy or impairment of the security for the Obligations; (b) to release any or all of the Proceeds received by Lender for payment of the costs of repair or reconstruction of the Property on such terms and conditions as may be acceptable to Lender; or (c) to release any or all of the Proceeds received by Lender to Borrower on such terms and conditions as may be acceptable to Lender. To the extent it is determined that Lender has applied payments in any order prohibited by any Governmental Authority, Lender shall refund to Borrower any fees and/or interest associated with the misapplication of payments. Acceptance of such refund by Borrower shall be deemed sufficient remedy and Borrower will have no right to seek further claims or damages from Lender.

**2.16 Release of Proceeds for Reconstruction.** Without limiting the generality of Section 2.15 above, if Lender elects to release any Proceeds for repair or reconstruction of the Property, at Lender's option, such release shall be conditioned on Borrower's satisfaction of the following conditions within one hundred and twenty (120) days after the occurrence of the damage requiring the repair or reconstruction: (a) Borrower's deposit with Lender of such funds in addition to the Proceeds as Lender determines to be necessary to pay all direct and indirect costs relating to the repair or reconstruction of the Property; (b) the establishment of a procedure acceptable to Lender for Lender's disbursement of the Proceeds; (c) Lender's receipt and approval of final plans and specifications and a cost breakdown for the repair or reconstruction of the Property; (d) Lender's receipt and approval of (i) a general construction contract for the repair or reconstruction of the Property executed by Borrower and a contractor acceptable to Lender; and (ii) payment and performance bonds written on such general contractor issued by a surety acceptable to Lender; (e) evidence acceptable to Lender that (i) the repair and reconstruction of the Property can be completed and a final and unconditional certificate of occupancy for the Property can be issued not later than thirty (30) days before the maturity date of the Note; (ii) upon completion of the repair or reconstruction of the Property, the income from the Property will be sufficient to pay all Impositions, operating expenses of the Property and installment payments due in connection with the Loan; (iii) leases acceptable to Lender will be in effect or remain in effect upon completion of the repair or reconstruction of the Property; (iv) upon completion of the repair or reconstruction of the Property, the fair market value of the Property will be at least as great as it was prior to the date on which the damage or condemnation occurred as shown in an appraisal acceptable to Lender; (v) there has been no adverse change in the financial condition of Borrower or any Guarantors since the date of this Deed of Trust; and (vi) no Event of Default exists; and (f) such additional conditions as Lender may establish.

**2.17 Taxes and Impositions.** Borrower (a) shall pay all Taxes at least ten (10) days before delinquency; and (b) shall pay all other Impositions when due. Upon Lender's request, Borrower shall deliver to Lender receipts and such other substantiating documentation as may be required by Lender to evidence payment of all Impositions by Borrower in accordance with this Section.

**2.18 Absolute Assignment of Rents and Profits.**

(a) **Absolute Assignment.** Borrower absolutely, irrevocably and unconditionally grants, transfers and assigns to Lender all Rents and Profits. Prior to the occurrence of an Event of Default, Borrower shall have a license to collect and retain on the terms of this Section 2.18 all Rents and Profits as they become due and payable. Upon the occurrence of an Event of Default, Borrower's license to collect the Rents and Profits shall automatically be revoked without notice to Borrower. Following such revocation, Lender shall be entitled to collect and retain all Rents and Profits, whether or not Lender has taken possession of the Property, and Borrower shall immediately pay, deliver or cause to be delivered to Lender any Rents and Profits then held or thereafter collected by Borrower. All Rents and Profits collected by or on behalf of Lender may be applied by Lender to the Obligations in such order and amounts as Lender may determine. If Lender elects to seek the appointment of a receiver following the occurrence of an Event of Default, Borrower irrevocably and unconditionally consents to the appointment of a receiver without regard to the adequacy of the security for any of the Obligations. Notwithstanding anything to the contrary contained in this Deed of Trust, the assignment of Rents and Profits contained in this Section is an absolute assignment and not an assignment as security. Neither the assignment of Rents and Profits contained in this Section nor any action taken by Lender to collect the Rents and Profits shall be deemed to make Lender a mortgagee-in-possession of the Property or shall be deemed to render Lender directly or indirectly liable or responsible for (i) the

use, control, condition, care, operation, occupancy, management, repair, or leasing of the Property; (ii) the production of Rents and Profits from the Property; or (iii) to the extent permitted under applicable law, the performance or observance of any or all of Borrower's duties, obligations, representations, or warranties under any Leases or other agreements relating to the Rents and Profits. Lender shall have no responsibility or liability of any kind for any failure or delay by Lender in enforcing any of the terms or conditions of this Section 2.18.

(b) **Applications of Rents and Profits Prior to Revocation of License.** Borrower shall apply the Rents and Profits to the payment of all reasonable and necessary operating costs and expenses of the Property, installment payments due in connection with the Loan, payment of Impositions, and a reasonable reserve for future reasonable and necessary expenses, repairs and replacements relating to the Property before using the Rents and Profits for any other purpose which does not directly benefit the Property.

(c) **Notices to Tenants.** Upon revocation of the license described in Section 2.18(a) above, Borrower irrevocably authorizes and directs all Tenants under the Leases to comply with any notice or demand by Lender for payment to Lender of any Rents and Profits or for the performance of any of the Tenant's other respective obligations under the Leases, regardless of any conflicting demand by Borrower or notice by Borrower to any Tenant that Lender's demand is invalid or wrongful. No Tenant shall have any duty to inquire as to whether any default by Borrower has occurred under the Loan Documents in connection with any notice or demand by Lender under this Section.

**2.19 Request for Lender's Consent to Transfers.** All requests by Borrower for Lender's consent to transfers under Section 3.12 below (a) shall specifically describe the transaction with respect to which Lender's consent is requested; (b) shall be delivered to Lender not less than fifteen (15) days before Borrower proposes to take the action with respect to which Lender's consent is requested; and (c) shall be accompanied by complete and accurate copies of all documents relating to the transaction with respect to which Lender's consent is requested, including financial statements and other information regarding the proposed transferee. Borrower acknowledges and agrees that Lender's right to withhold its consent, in its sole and absolute discretion, to any or all of the events described in Section 3.12 below is based, in part, on the fact that Borrower's particular financial condition, credit history, character, experience, ability and expertise, as represented by Borrower to Lender, were material and important factors in Lender's decision to make the Loan, and that Lender will continue to rely on such matters to insure satisfactory compliance with the Loan Documents during the entire term of the Loan. If Lender, in its sole and absolute discretion, consents to any of the transfers described in Section 3.12 below, such consent shall not be deemed to release Borrower or any other Person liable for payment or performance of the Obligations, and Borrower and such Persons shall continue to remain liable for payment and performance of the Obligations in accordance with the terms of the Loan Documents, unless expressly released pursuant to a further written agreement signed by Lender.

**2.20 Fixtures.** Notwithstanding Section 3.12 below, Borrower may from time to time replace any Fixtures constituting a part of the Property in the ordinary course of Borrower's business, provided that (a) the replacement property for such Fixtures is at least equivalent in value, character, and quality to the Fixtures being replaced; (b) Borrower has good and marketable title to such replacement property free and clear of all liens, claims, and interests other than the lien of this Deed of Trust; and (c) this Deed of Trust shall constitute a first lien on such replacement Property.

**2.21 Notice of Certain Matters.** Borrower shall promptly notify Lender in writing of (i) any claim, demand, right, or Lien relating to the Property which may be adverse to the lien of this Deed of Trust; (ii) any material loss, depreciation, or adverse change in the value of the Property and any other occurrence which may materially and adversely affect Lender's lien on the Property; (iii) any material adverse change in Borrower's ability to perform any or all of the Obligations; (iv) any event or condition which constitutes an Event of Default; and (v) any dispute between Borrower and any Governmental Authority relating to the Property which may have a material adverse effect on the Property.

**2.22 Inspection.** Lender shall have the right at all reasonable times (a) upon reasonable prior written or telephonic notice (except that no such notice shall be required in the case of an emergency or any inspection limited to the public areas or common areas of the Property) to enter upon and inspect the Property, including any entry which Lender determines is necessary or appropriate in connection with enforcing or exercising any right, remedy or power available to or conferred on Lender under the Loan Documents; (b) to contact any Person to verify any information provided or disclosed by Borrower to Lender; and (c) to release such information regarding the Property, Borrower, or the Obligations as Lender may determine to be necessary or appropriate in connection with enforcing or exercising any right, remedy or power available to or conferred on Lender under the Loan Documents. Lender shall have no obligation or duty to inspect the Property, and all such inspections by Lender shall be for Lender's sole benefit and not for the benefit of Borrower or any other Person.

**2.23 Defense of Actions and Protection of Security by Borrower.** Borrower shall appear in and defend any action or proceeding commenced by any Person other than Lender which affects or which Lender determines may affect any or all of the following: (a) the Property; (b) the Insurance Claims, Condemnation Claims, or Property Claims; (c) Lender's, Trustee's or Borrower's respective rights and obligations under the Loan Documents; (d) the Obligations; or (e) any other transaction or matter which affects Lender by reason of its interest in the Property. Borrower shall promptly commence and diligently prosecute all actions and proceedings which are necessary or appropriate or which Lender determines may be necessary or appropriate to do any or all of the following: (i) prevent any damage, destruction, or injury to the Property; (ii) enforce or recover upon the Insurance Claims, Condemnation Claims or Property Claims or collect the Insurance Proceeds, Condemnation Proceeds, or Property Proceeds; or (iii) to preserve, protect, maintain, and defend the Property and Lender's lien thereon.

**2.24 Enforcement of Covenants and Restrictions.** If any of the Covenants and Restrictions apply to Persons owning or occupying real property which is adjacent to or in the vicinity of the Property, Borrower shall diligently enforce the Covenants and Restrictions against such Persons if (a) such Persons have breached their obligations under the Covenants and Restrictions; and (b) such breach has not been cured by such Persons within ninety (90) days after a request by Lender to Borrower to enforce the Covenants and Restrictions.

**2.25 Further Assurances.** Upon Lender's request, Borrower shall execute, acknowledge and deliver to Lender such further documents and agreements and take such further actions as Lender may reasonably require from time to time to effectuate or carry out the purposes of the Loan Documents or to evidence, perfect, maintain, preserve or protect Lender's lien on the Property, including Borrower's execution of security agreements, assignments, financing statements, and continuation financing statements. Upon Lender's request, Borrower shall execute, acknowledge and deliver to Lender an assignment acceptable to Lender of such additional rights, privileges, Governmental Permits, and documents relating to the Property as Lender may reasonably determine to be necessary or appropriate in connection with the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property.

### **ARTICLE 3**

#### **EVENTS OF DEFAULT**

Lender, at its option, shall have the right to declare Borrower to be in default under this Deed of Trust and the other Loan Documents upon the occurrence of any or all of the following events:

**3.1 Payment of Note and Other Monetary Obligations Under Loan Documents.** If (a) an Event of Default occurs under the terms of the Note; or (b) Borrower fails perform any of its other obligations under the Loan Documents or under any other document with Lender requiring the payment of money to Lender or any third Person within ten (10) days after the date on which such indebtedness or monetary obligation is due.

**3.2 Performance of Non-Monetary Obligations Under Loan Documents.** If Borrower breaches or otherwise fails to perform any of its non-monetary obligations to Lender or any third Person under any of the Loan Documents or under any other document with Lender when due.

**3.3 Misrepresentation.** If any request, statement, information, certification, or representation, whether written or oral, submitted or made by Borrower to Lender in connection with the Loan is false or misleading in any material respect.

**3.4 Insolvency of Borrower.** If (a) a petition is filed by or against Borrower under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or similar law; (b) a receiver, liquidator, trustee, custodian, sequestrator, or other similar official is appointed to take possession of Borrower or the Property, or Borrower consents to such appointment; (c) Borrower makes an assignment for the benefit of creditors; provided, however, that Borrower shall have thirty (30) days within which to cause any involuntary bankruptcy proceeding to be dismissed or the involuntary appointment of any receiver, liquidator, trustee, custodian, or sequestrator to be discharged. The cure provision contained in this Section shall be in lieu of, and not in addition to, any and all other cure provisions contained in the Loan Documents.

**3.5 Performance of Obligations to Senior Lien Holders or Third Persons.** If (i) Borrower fails to pay any of its indebtedness or to perform any of its obligations under any agreement between Borrower and any other Person who holds a Lien senior to this Deed of Trust when due; or (ii) Borrower fails to pay any of its indebtedness or to perform any of its obligations when due under any other material document between Borrower and any other Person

**3.6 Attachment.** If all or any material part of the assets of Borrower or Guarantor are attached, seized, subjected to a writ or levied upon by any court process and Borrower fails to cause such attachment, seizure, writ or levy to be fully released or removed within sixty (60) days after the occurrence of such event. The cure provision contained in this Section shall be in lieu of, and not in addition to, any and all other cure periods contained in the Loan Documents.

**3.7 Injunctions.** If a court order is entered against Borrower enjoining the conduct of all or part of its business and Borrower fails to cause such injunction to be fully stayed, dissolved or removed within sixty (60) days after such order is entered. The cure provision contained in this Section shall be in lieu of, and not in addition to, any and all other cure periods contained in the Loan Documents.

**3.8 Dissolution.** The dissolution, liquidation, or termination of existence of Borrower or any of Borrower's General Partners or Managers.

**3.9 Impairment of Priority.** If (i) the priority of this Deed of Trust or Lender's security interest under any of the other agreements securing any or all of the Obligations is impaired for any reason; or (ii) the value of the Property has deteriorated, declined or depreciated as a result of any intentional tortious act or omission by Borrower.

**3.10 Condemnation.** If all or any material part of the Property is transferred to any Governmental Authority as a result of any condemnation proceeding or action with respect to all or any material part of the Property.

**3.11 Failure to Repair Casualty.** If there is an uninsured casualty with respect to the Property and Borrower (a) fails to commence repairs and reconstruction of the Property within ninety (90) days after such damage; or (b) thereafter fails to diligently prosecute such repairs and reconstruction to completion.

**3.12 Sales, Transfers and Further Encumbrances.** If any one of the following events occurs without Lender's prior written consent, which may be withheld in Lender's sole and absolute discretion:



(a) the sale, conveyance, transfer, mortgage, encumbrance, lease (except for (i) the leasing of space in the Improvements which is permitted under Section 2.12 of this Deed of Trust and (ii) the conveyance or transfer of any part or any interest in the Property to a revocable family trust affiliated with Borrower, provided that such conveyance or transfer is solely for estate planning purposes), or alienation of all or any part of the Property or any interest in the Property, whether voluntary or involuntary, or Borrower's grant of any option or agreement to effect any such transaction.

(b) if Borrower or any General Partner or Manager of Borrower is a partnership, the admission, withdrawal, retirement or removal of any General Partner of Borrower or any of Borrower's General Partners or Managers, or the sale or transfer of more than forty-nine percent (49%) of the beneficial interests in Borrower or any of Borrower's General Partners or Managers.

(c) if Borrower or any General Partner or Manager of Borrower is a corporation, the sale or transfer of an aggregate of more than forty-nine percent (49%) of any class of stock in such corporation or the issuance by such corporation of additional stock to any Person who is not a shareholder in such corporation as of the date of this Deed of Trust.

(d) if Borrower or any General Partner or Manager of Borrower is a limited liability company, the appointment, withdrawal, retirement or removal of any Manager of Borrower or any of Borrower's General Partners or Managers or the sale or transfer of more than forty-nine percent (49%) of the beneficial interests in Borrower or any of Borrower's General Partners or Managers.

(e) if Borrower or any General Partner or Manager of Borrower is an individual, the death or incompetency of such Person, except where applicable law limits or prohibits Lender's declaration of a default based on such occurrences; provided, however, that Lender shall not declare an Event of Default to exist based solely on the death or mental incompetence of any individual Borrower, General Partner, or Manager if, within ninety (90) days after the occurrence of such event, a substitute is appointed, and Lender determines that the financial condition, credit history, character, experience, ability and expertise of such substitute is otherwise acceptable.

**3.13 Default by Guarantor.** If Guarantor fails to pay any of its indebtedness or perform any of its obligations under the Guaranty when due or the revocation, limitation or termination or attempted revocation, limitation or termination of any of the obligations of Guarantor under the Guaranty, except in accordance with the express written terms of the Guaranty.

**3.14 Misrepresentation by Guarantor.** If any request, statement, information, certification, or representation, whether written or oral, submitted or made by Guarantor to Lender in connection with the Loan or any other extension of credit by Lender to Borrower or such Guarantor is false or misleading in any material respect.

**3.15 Cross-Default.** If Borrower, or any Affiliated Borrower (as hereinafter defined), fails to pay any of its indebtedness or to perform any of its obligations as to any other loan or loans or any other obligation owed to Lender when due. As used in this Section, "Affiliated Borrower" means, any borrower (individual or entity) directly or indirectly controlling, controlled by, or under common control with, Borrower, and "control" means an ownership interest equal to or greater than 10% of the entity or the ability to direct the management or affairs of that entity, whether through ownership, by contract or otherwise.

## ARTICLE 4

### REMEDIES

Upon Lender's election to declare Borrower to be in default under this Deed of Trust and the other Loan Documents pursuant to Article 3 above, Borrower shall be deemed to be in default under this Deed of Trust and the other Loan Documents, and Lender shall have the following rights and remedies:

**4.1 Entry by Lender.** Lender shall have the right (a) to enter, take possession of, and manage, operate and lease the Property; (b) to take possession of any or all Books and Records; (c) to collect any or all Rents and Profits, whether or not Lender has taken possession of the Property; and (d) to take any or all actions which Lender determines to be necessary or appropriate in connection therewith or to preserve, protect, maintain and defend the Property and Lender's lien thereon, including (i) the exercise and enforcement of all of Borrower's rights under any or all of the Leases; (ii) the termination, acceptance of a surrender, modification or amendment of any or all of the Leases; (iii) the execution of new Leases on such terms and conditions as Lender determines to be appropriate; and (iv) the repair, alteration, improvement or completion of the Property in such manner and to such extent as Lender determines to be necessary or appropriate. If Lender elects to take possession of the Property or to take any or all of the other actions described in this Section by court process, Borrower irrevocably and unconditionally agrees that a receiver may be appointed by a court for such purpose pursuant to Section 4.5 below.

**4.2 Judicial Action.** Lender shall have the right to commence an action or proceeding to foreclose this Deed of Trust and to enforce any or all of the terms of the Loan Documents, including specific performance of the covenants of Borrower under this Deed of Trust.

**4.3 Foreclosure by Power of Sale.**

(a) **Declaration and Notice of Default.** Lender shall have the right (i) to cause the Property to be sold under the power of sale contained in this Deed of Trust in any manner permitted by applicable law; and (ii) to deliver to Trustee a written declaration of default and demand for sale and a written notice of default and election to cause the Property to be sold, which notice the Trustee or Lender shall cause to be recorded as required by law. Upon the expiration of such period of time after the recordation of such notice of default and election to sell and the giving of such notice of sale as may then be required by law, and without the necessity of any demand on Borrower, Trustee, at the time and place specified in the notice of sale, shall sell the Property at public auction to the highest bidder for cash in U.S. Dollars payable at the time of sale. Lender or any obligee, creditor, or the holder or holders of the Note or Loan Documents may bid and purchase at such sale.

(b) **Postponements; Multiple Parcels.** To the extent permitted by law, Trustee may, and upon request of Lender shall, from time to time, postpone any sale hereunder by public announcement at the time and place noticed for such sale or may, in its discretion, give a new notice of sale. If the Property consists of several lots, parcels or items of property, Lender shall have the exclusive right (i) to designate the order in which such lots, parcels or items shall be offered for sale or sold; and (ii) to elect to sell such lots, parcels or items through a single sale, through two or more successive sales, or in any other manner Lender determines to be in its best interest. Any Person, including Borrower, Trustee and Lender, may purchase at any sale under this Deed of Trust, and Lender shall have the right to purchase at any such sale by crediting upon the bid price the amount of all or any part of the Obligations. If Lender determines to sell the Property in more than one sale, Lender may, at its option, cause such sales of the Property to be conducted simultaneously or successively, on the same day or on such different days or times and in such order as Lender may determine, and no such sale shall terminate or otherwise affect the lien of this Deed of Trust on any part of the Property that has not been sold until all Obligations have been paid in full.

(c) **Costs of Sale; Deed to Purchaser.** Borrower shall pay all costs, fees, and expenses of all sales of the Property under this Deed of Trust, including the costs, fees, and expenses (including attorneys' fees) of Trustee and Lender, together with interest thereon at the interest rate applicable to principal under the Note or, with

respect to Trustee, the maximum rate permitted by law to be charged by Trustee. Upon any sale under the power of sale contained in this Deed of Trust, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied. The recitals in any such deed or deeds of any matter or facts, including the existence of any default by Borrower, the giving of notice of default and notice of sale, and other facts affecting the regularity or validity of such sale or sales, shall be conclusive proof of the truth of such facts and matters, and any such deed or deeds shall be conclusive against all Persons as to such facts and matters recited therein. A sale of less than all of the Property or any defective or irregular sale under this Deed of Trust shall not exhaust, impair or otherwise affect the power of sale contained in this Deed of Trust, and subsequent sales of the Property may be made under this Deed of Trust until all Obligations have been satisfied or until the entire Property has been sold without defect or irregularity. If Lender elects to cause the Property to be sold under the power of sale contained in this Deed of Trust, Lender shall deposit with the Trustee this Deed of Trust, the Note, and such receipts and evidence of such other Obligations as Trustee may reasonably require.

**4.4 Application of Sale Proceeds.** Trustee shall apply the proceeds of the sale or sales conducted by Trustee in the following order of priority: (a) first, to payment of all expenses of such sale or sales and all costs, expenses, fees, and liabilities of Trustee and this trust, including attorneys' fees, costs of a trustee's sale guaranty, costs of other evidence of title, and Trustee's fees in connection with such sale or sales; (b) second, to all amounts advanced or disbursed by Trustee or Lender under any of the terms of this Deed of Trust which have not then been repaid, together with interest thereon at the rate applicable to principal under the Note or, with respect to Trustee, the maximum rate permitted by law to be charged by Trustee; (c) third, to the payment of all other Obligations in such order and amounts as Lender determines; and (d) the remainder, if any, to the Person or Persons legally entitled thereto.

**4.5 Appointment of a Receiver.** Lender shall have the absolute and unconditional right to apply to any court having jurisdiction and obtain the appointment of a receiver or receivers of the Property, and Borrower irrevocably and unconditionally consents to such appointment and agrees that Lender shall have the right to obtain such appointment (a) without notice to Borrower or any other Person; (b) without regard to the value of the Property or any other collateral securing the Obligations, and (c) without acceleration of the Obligations or commencement of foreclosure proceedings under this Deed of Trust. Any such receiver or receivers shall have the usual powers and duties of receivers in similar cases and all powers and duties necessary or appropriate to exercise the rights of Lender as provided in this Deed of Trust.

**4.6 Protection of Lender's Security.** Lender or Trustee, without obligation to do so and without notice to or demand on Borrower, and without releasing Borrower from any of its Obligations or waiving Lender's rights under the Loan Documents, shall have the right to perform any Obligation which Borrower has breached in such manner, at such time, and to such extent as Lender or Trustee determines to be necessary or appropriate to preserve, protect, maintain and defend the Property and Lender's lien thereon.

**4.7 Assembly of Property.** Upon Lender's request, Borrower shall assemble and make available to Lender at the location of the Land all Property which has been removed from or which is not located on the Land.

**4.8 Rescission of Notice of Default.** Prior to the conduct of any sale under the power of sale contained in this Deed of Trust, Lender, at its option, shall have the right to rescind any notice of default and election to sell the Property by delivering to Trustee a written notice of rescission executed by Lender which, when recorded, shall cancel the foreclosure proceedings which have been commenced by the recordation of such notice of default and election to sell. Lender's rescission of any notice of default and election to sell pursuant to this Section or under applicable law shall not constitute or be construed as a waiver of any Event of Default or impair, prejudice or otherwise affect (a) Lender's right to record a new notice of default and election to sell the Property based on the same or any other Event of Default; or (b) Lender's rights and remedies in connection with the Obligations.

**4.9 Exercise of Rights Under Other Loan Documents and Laws.** Lender shall have the right to exercise any or all rights and remedies which Lender may have under any or all of the other Loan Documents and all

other applicable law, including without limitation the applicable Uniform Commercial Code as it relates to such personal property assets as are encumbered under this Agreement.

**4.10 Continuing Recourse Liability.** Notwithstanding any contractual or statutory defense to, or prohibition of, (x) continuing liability on the Loan or the Note or the other Loan Documents or (y) liability for any deficiency remaining on the Loan, the Note and or any other Loan Document after foreclosure upon any item of Property (collectively "Deficiency Defense"), Borrower hereby agrees, to the extent not prohibited by applicable law, that:

(a) Borrower shall be continue to be liable for, and shall be subject to full recourse liability for, all amounts owed under the Loan, the Note or any other Loan Documents if any of the following conditions occur:

(i) in the event of (1) the commencement of a case by Borrower or against Borrower by any person or entity other than Lender or any person or entity affiliated with Lender under Title 11 of the United States Code (11 U.S.C. §§101, et seq.) or any successor statute (the "**Bankruptcy Code**") or under any other law governing any federal or state bankruptcy, insolvency, reorganization, or other similar proceeding (collectively, a "**Bankruptcy Proceeding**"), or (2) the consent of the Borrower to any Bankruptcy Proceeding; or (3) the failure of Borrower to oppose in good faith and to the maximum extent permitted by law of such involuntary Bankruptcy Proceeding; or (4) if any involuntary Proceeding is filed, the failure of Borrower to promptly stipulate to entry of an order granting Lender relief from the "automatic stay" under 11 U.S.C. 342 to proceed with a foreclosure of the Property, or (5) any collusion by Borrower with other creditors to cause, assist, or support such involuntary Bankruptcy Proceeding.

(ii) in the event that Guarantor joins or consents to any Bankruptcy Proceeding for Borrower or opposes any stipulation or motion seeking to grant Lender relief from the "automatic stay" under 11 U.S.C 342 to proceed with a foreclosure of the Property.

(iii) in the event that Borrower makes a transfer of any interest in the Borrower or in the Property or makes or allows to exist an encumbrance on the Property or on an interest in the Borrower, (1) that is not expressly permitted pursuant to the terms, conditions, and provisions of the Loan Documents and (2) without the prior express written approval of the Lender and (3) that is not cured within thirty (30) days after written notice from the Lender.

(b) Borrower shall be continue to be liable for, and shall be subject to full recourse liability for, all amounts owed under the Loan, the Note and the other Loan Documents minus any recovery the Lender is successful in collecting on any title insurance policy it holds in connection with the Property in the event that the Lender is prevented from acquiring title to the Property after the occurrence of an Event of Default) because of the failure of the Borrower's title to the Property under applicable federal, state, or local laws due to the commission of a criminal act by the Borrower or an affiliate of the Borrower as a result of which the applicable governmental entity is entitled to (under such applicable law) and does, take title to the Property.

(c) Borrower shall be continue to be liable for, and shall be subject to full recourse liability for, all damages and losses incurred by Lender directly or indirectly arising out of or relating to any of the following: (1) fraud or misrepresentation by Borrower in connection with or relating to the Loan; (2) waste or willful mismanagement by Borrower with respect to any or all of the Property; (3) the application by Borrower of the Loan proceeds in any manner or for any

purpose other than as specified in or required by the Loan Documents; (4) the removal or disposition by Borrower of any or all of the Property in violation of any of the terms of any of the Loan Documents; (5) any failure by Borrower to pay any Impositions in accordance with the Loan Documents; (6) the misapplication or misappropriation by Borrower of Insurance Proceeds (7) failure to deliver to Lender condemnation proceeds, insurance proceeds, or other proceeds of the Property or other similar proceeds, funds or payments, or other benefits of all or part of any collateral; (8) the misapplication or misappropriation of any Rents and Profits, prepaid rents, security deposits and similar sums paid to Borrower or any other Person in connection with any or all Leases of any part of the Property in violation of the terms of the Loan Documents; (9) recovery of amounts, damages, costs and expenses, including without limitation attorneys' fees, owing or payable to the Lender by Borrower relating to certain environmental matters or under any secured or unsecured indemnity agreement relating to Hazardous Substances executed by Borrower in connection with the Loan, including without limitation under (A) any Environmental Indemnity Agreement executed by Borrower in connection with the Loan; and (B) all terms of the Loan Documents which constitute "environmental provisions" under applicable law (including without limitation California Code of Civil Procedure Section 726.5 and 736, as such Section may be amended from time to time); respectively; and (10) all amounts owing to the Lender by Borrower under any other indemnification provision contained in the Loan Documents or with respect to claims asserted by any third Person against the Lender or liabilities incurred by the Lender with respect to any third Person, which claims or liabilities directly or indirectly result from or arise out of any act or omission of Borrower or from the occupancy or use of all or part of the Property by Borrower prior to Lender's acquisition of title to such Property.

(d) To the extent not prohibited by applicable law, Borrower hereby waives any and all rights and protections of the Deficiency Defenses.

## ARTICLE 5

### WARRANTIES AND REPRESENTATIONS

**5.1 Warranties and Representations.** As a material inducement to Lender's extension of credit to Borrower in connection with the Loan, Borrower warrants and represents to Lender as follows:

(a) **Qualifications.** Borrower is qualified to do business in the jurisdiction in which the Property is located.

(b) **Litigation.** To the best of Borrower's knowledge, there are no actions, suits, proceedings or investigations pending or threatened against or affecting Borrower or the Property in any court or before any other Governmental Authorities that could reasonably be expected to have a material adverse effect on Borrower's ability to repay the Loan or on the value of the Property, nor does Borrower know of any basis for any such action, suit, proceeding or investigation.

(c) **Ownership.** Upon recordation of this Deed of Trust, Borrower will be the sole legal and beneficial owner of, and will have good and marketable title to, the Property and all other collateral which is the subject of the Loan Documents.

(d) **Liens.** To the best of Borrower's knowledge, there are no Liens, claims, encroachments, Covenants and Restrictions, Leases, Easements, or other rights affecting the Property which would not be disclosed by a customary search of the records relating to the Land of the county recorder for the county in which the Property

is located, except for such matters as have been specifically disclosed by Borrower to and approved in writing by Lender prior to the date of recordation of this Deed of Trust.

(e) **Condition.** Upon completion of the Project (as defined on the Construction Loan Rider attached hereto), the Property will be in good condition and repair without any material defects known to Borrower.

(f) **Property Compliance.** Upon completion of the Project, the Property will be in compliance with all Governmental Requirements in all material respects.

(g) **Borrower Compliance.** Borrower shall comply with all Governmental Requirements, except to the extent that failure to comply therewith would not have a material adverse effect on its ability to fulfill its Obligations or otherwise fully comply with the Loan Documents.

(h) **Damage.** Except for any damage to be repaired by the Project, the Property is free from material casualty or termite damage.

(i) **Condemnation.** To the best of Borrower's knowledge, there is no condemnation, zoning change, or other proceeding or action pending, threatened or contemplated by any Governmental Authority which would in any way affect the Property.

(j) **Commercial Loan.** Borrower represents and warrants that the proceeds of this loan will be used by Borrower only for business purposes. If Borrower is a natural person, Borrower represents and warrants that Borrower does not intend to, and will not, occupy or reside on the Property so long as the Loan remains outstanding. If Borrower is a legal entity, Borrower represents and warrants that no person affiliated with Borrower intends to or will occupy or reside on the Property so long as the Loan remains outstanding.

(k) **Arms-Length Transaction.** Borrower represents and warrants that Borrower is operating at arms-length with, and has no material interest in, all parties to the Loan transaction, including the seller(s), any assignor(s) of the purchase and sale agreement for the Property, any loan broker or real estate agent(s), settling agent(s), escrow and title companies, insurance agent(s) or companies, or others, except for any relationship Borrower has disclosed to Lender and which Lender has approved in writing.

5.2 **Continuing Warranties and Representations.** The warranties and representations contained in this Article 5 shall be true and correct as of the date of recordation of this Deed of Trust, shall survive the closing of the Loan, and shall remain true and correct as of the date on which such warranties and representations are given.

## **ARTICLE 6**

### **MISCELLANEOUS**

6.1 **Lender Statement; Certain Charges.** With respect to (a) any statement, accounting, or similar information requested by Borrower or any other Person; or (b) any other document furnished to Borrower or any other Person by Lender at Borrower's request, Lender shall have the right to charge the maximum amount then permitted by law or, if there is no such maximum, Lender's customary charge for providing such statement, accounting, or other information. Borrower shall pay Lender its customary charge for any other service rendered by Lender in connection with the Loan or the Property, including the issuance of a request for full or partial reconveyance of this Deed of Trust, transmitting Loan proceeds to an escrow holder and changing Lender's records relating to the Obligations.

6.2 **Reconveyance.** Upon (a) Lender's written request stating that all Obligations secured by this Deed of Trust have been paid or performed in full; (b) surrender to Trustee of this Deed of Trust, the Note and all other documents evidencing the indebtedness secured by this Deed of Trust; and (c) payment of Trustee's fees and expenses of this trust, Trustee shall reconvey the Property then held under this Deed of Trust without warranty of any kind. The

recitals in the reconveyance of any matters or facts shall be conclusive proof of their truthfulness. The grantee in such reconveyance may be described as the "person or persons legally entitled thereto". Such reconveyance shall operate as a reassignment of the Rents and Profits assigned to Lender under this Deed of Trust. Unless Trustee is directed by Lender to retain such documents for a longer period of time, Trustee may destroy this Deed of Trust and the Note five (5) years after issuance of the full reconveyance; provided, however, that Trustee, in its sole discretion, may deliver this Deed of Trust and the Note after full reconveyance to the Person or Persons legally entitled thereto.

**6.3 Substitution of Trustee.** Lender, at its option, shall have the right from time to time to appoint a successor trustee to any trustee appointed under this Deed of Trust by Lender's execution and acknowledgment of a written instrument which is recorded in the office of the recorder of each county in which the Property is located. The recordation of such an instrument in accordance with this Section shall constitute conclusive proof of the proper substitution of a successor trustee under this Deed of Trust. Upon recordation of such an instrument, the successor trustee shall succeed to all the title, power and duties granted to the Trustee under this Deed of Trust and by applicable law without conveyance of the Property. Such instrument shall contain the name of the original Lender, Trustee and Borrower named in this Deed of Trust, the book and page or other recording information for this Deed of Trust, and the name and address of the successor trustee. If a notice of default has been recorded prior to the recordation of a substitution of trustee, the power of substitution shall not be exercised by Lender until the costs, fees and expenses of the acting trustee have been paid in full and the acting trustee has endorsed acknowledgment of receipt of such amounts on the instrument substituting the successor trustee. Without limiting the terms of this Section, Lender shall have the right from time to time to substitute a successor to any trustee appointed under this Deed of Trust in accordance with any statutory or other procedure allowed by law for such substitution.

**6.4 Execution of Instruments by Lender and Trustee.** Without notice to or affecting the liability of Borrower or any other Person for the payment or performance of the Obligations, without affecting the lien or priority of this Deed of Trust or Lender's rights and remedies under the Loan Documents, and without liability to Borrower or any other Person, Lender and Trustee (if Trustee is so requested in writing by Lender) shall have the right, at any time and from time to time, to do any one or more of the following: (a) reconvey any part of the Property; (b) consent in writing to the making of any map or plat relating to the Property; (c) join in or consent to the granting of any Easement affecting the Property; and (d) execute any extension agreement relating to any or all of the Obligations, any document subordinating the lien of this Deed of Trust to any other Lien or document, or any other document relating to the Property, Obligations, or Loan Documents.

**6.5 Trust Irrevocable; Acceptance by Trustee.** The trust created by this Deed of Trust is irrevocable by Borrower. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is recorded in the county in which the Property is located as provided by law. Trustee is not obligated to notify any party of a pending sale under any other deed of trust or of any action or proceeding in which Borrower, Lender or the Trustee shall be a party unless brought by the Trustee.

**6.6 Late Charges.** If any installment payment under the Note is not paid when due, Borrower shall pay any late charge provided for in the Note.

**6.7 Requests by Borrower for Approvals by Lender.** All requests by Borrower for Lender's consent to or approval of any transaction or matter requiring Lender's consent or approval under the Loan Documents (a) shall be made by Borrower in writing (inclusive of electronic delivery); (b) shall specifically describe the transaction or matter with respect to which Lender's consent or approval is requested; (c) shall be accompanied by such information and documentation as Lender may require in connection with such request; and (d) shall be delivered to Lender not less than fifteen (15) days before Borrower proposes to take the action or effect the transaction with respect to which Lender's consent or approval is requested, unless a different period of time is expressly provided for in the Loan Documents.

**6.8 Approvals by Lender.** Whenever (a) the terms of the Loan Documents grant Lender the right to consent to or approve any transaction or matter; (b) Lender is authorized or empowered under the Loan Documents to

make a determination with respect to any transaction or matter; or (c) the Loan Documents provide that any document or other item must be approved by or acceptable to Lender, then except as otherwise expressly provided in the Loan Documents, (i) Lender shall have the right to grant or withhold such approval or consent and make such determination in its sole and absolute discretion; and (ii) the form and substance of such document or other item must be satisfactory to Lender in its sole and absolute discretion. Whenever the terms of the Loan Documents require Lender's consent to or approval of any transaction, matter, or document, such consent or approval shall not be deemed to be effective unless it is set forth in a written instrument executed by Lender.

**6.9 Transfers by Borrower Without Lender's Consent; No Release of Borrower.** The following provisions shall apply if Borrower sells the Property to a third Person either (i) without Lender's consent; or (ii) with Lender's consent in a transaction in which Borrower is not released from liability under the Loan Documents:

(a) **No Release of Borrower.** No such action by Borrower nor any assumption of any or all of the Obligations by any transferee of the Property ("Transferee") shall be deemed to release Borrower or any other Person, including Guarantor, from any liability under the terms of the Loan Documents, and Borrower and such Persons shall remain liable to Lender for the payment and performance of all of their respective obligations under the Loan Documents.

(b) **Actions Without Borrower's Consent.** Borrower agrees that Lender may do any one or all of the following without notice to or the consent of Borrower and without affecting Lender's rights or remedies against Borrower: (i) accelerate, accept partial payment of, compromise, settle, renew, extend the time for payment or performance of, or refuse to enforce any of Borrower's Obligations to Lender under or in connection with this Deed of Trust or any of the other Loan Documents; (ii) grant any indulgence or forbearance to the Transferee or any other Person under or in connection with any or all of the Loan Documents; (iii) release, waive, substitute or add any or all collateral securing payment of any or all of the Obligations; (iv) release, substitute or add any one or more endorsers or guarantors of any or all of the Obligations; (v) amend, supplement, alter or change in any respect whatsoever any term or provision of the Loan Documents or any other agreement relating to the Obligations; and (vi) exercise any right or remedy with respect to the Obligations or any collateral securing the Obligations, notwithstanding any effect on or impairment of Borrower's subrogation, reimbursement or other rights against the Transferee.

(c) **Waivers.** Borrower waives all rights which it may have (i) to require Lender to exhaust its rights and remedies against the Transferee, any other Person, or any collateral securing any or all of the Obligations before pursuing its rights and remedies against Borrower; (ii) to require Lender to exercise any right or power or to pursue any remedy which Lender may have under the Loan Documents or applicable law before pursuing its rights and remedies against Borrower; and (iii) to assert any defense to Lender's enforcement of its rights and remedies against Borrower based on an election of remedies by Lender or the manner in which Lender exercises any remedy which destroys, diminishes or interferes with any or all of Borrower's subrogation, reimbursement or other rights against the Transferee.

**6.10 Defense of Actions and Protection of Security by Lender.** Whether or not an Event of Default has occurred, Lender and Trustee shall each have the right, but not the obligation, to appear in and defend any action or proceeding, whether commenced by or against Borrower, any of the Guarantors, or any other Person, which affects or which Lender or Trustee determines may affect any or all of the following: (a) the Property; (b) the Insurance Claims, Condemnation Claims, or Property Claims; (c) Lender's, Trustee's, or Borrower's respective rights and obligations under the Loan Documents; (d) the Obligations; or (e) any other transaction or matter which affects Lender by reason of its interest in the Property. Lender and Trustee shall each have the right, but not the obligation, to commence and prosecute any action or proceeding which Lender or Trustee determines to be necessary or appropriate to do any or all of the following: (i) prevent any damage, destruction, or injury to the Property; (ii) enforce or recover upon the Insurance Claims, Condemnation Claims, or Property Claims or collect the Insurance Proceeds, Condemnation Proceeds, or Property Proceeds pursuant to this Deed of Trust; (iii) preserve, protect, maintain, and defend the Property and Lender's lien thereon; or (iv) enforce or exercise any right, remedy or power available to or conferred on Lender or Trustee under the Loan Documents or applicable law. Lender and Trustee shall each have the



right to discontinue, suspend or dismiss any such action or proceeding which has been commenced by Lender or Trustee at any time.

**6.11 Expenses.** Lender shall have the right to incur and pay all costs, fees, expenses, and liabilities that Lender determines to be necessary or appropriate in connection with any or all of the following matters (the "Reimbursable Costs"): (a) the exercise of any or all of Lender's rights and remedies under the Loan Documents, (b) the enforcement of any or all of the Obligations or any other obligation of any Person liable to Lender in connection with the Loan, whether or not any legal action or proceeding is commenced by Lender; (c) the preservation, protection, maintenance, or defense of the Property or Lender's lien thereon; (d) the sale or disposition of the Property or any other collateral securing any or all of the Obligations; (e) the defense of any action or proceeding commenced by Borrower or Guarantor; or (f) the commencement and prosecution of any action or proceeding by Lender or Trustee with respect to any or all of the matters described in this Section or in Section 6.10 above, including an action for relief from any stay, injunction, or similar order or enactment arising under any federal or state bankruptcy, insolvency or similar law. Without limiting the terms of this Section, Lender shall have the right to do any or all of the following in connection with any of the matters described in this Section, and all costs, fees, expenses, and liabilities incurred or paid in connection therewith shall constitute Reimbursable Costs. (1) select, retain, and consult with attorneys, accountants, appraisers, contractors, brokers, architects, engineers and such other experts, consultants, advisors and third Persons as Lender determines to be necessary or appropriate; (2) settle, purchase, compromise or pay any or all claims, demands, and Liens; and (3) obtain any trustee's sale guaranty or other title insurance coverage relating to the Property which Lender determines to be necessary or appropriate.

**6.12 Taxes Imposed on Lender.** If, after the date of this Deed of Trust, any Governmental Requirements are enacted for the purpose of taxing any lien on the Property or changing in any way the laws for the taxation of deeds of trust or debts secured by deeds of trust, so as to impose on Lender payment of all or part of any Taxes assessed against the Property, then prior to the due date of such Taxes, Borrower shall pay all such Taxes and agree to pay such Taxes when levied or assessed against the Property or Lender.

**6.13 Payment of Advances by Borrower.** All Reimbursable Costs and all other costs, fees, expenses and liabilities incurred or paid by Lender under any other provision of the Loan Documents or under applicable law in connection with the Obligations or the Property (a) shall be payable by Borrower to Lender on Lender's demand; (b) shall constitute additional indebtedness of Borrower to Lender; (c) shall be secured by this Deed of Trust; and (d) shall bear interest from the date of expenditure at the rate of interest applicable to principal under the Note. Nothing contained in this Deed of Trust shall be deemed to obligate Lender (i) to incur any costs, fees, expenses, or liabilities; (ii) to make any appearances in or defend any action or proceeding; or (iii) to commence or prosecute any action or proceeding relating to any matter.

**6.14 No Third Party Beneficiaries.** The Loan Documents are entered into for the sole protection and benefit of Lender, Borrower and Trustee and their respective permitted successors and assigns. No other Person shall have any rights or causes of action under the Loan Documents.

**6.15 Notices.** All notices and demands by Lender to Borrower under this Deed of Trust and the other Loan Documents shall be in writing and shall be effective on the earliest of (a) personal delivery to Borrower; (b) electronic delivery to Borrower addressed to Borrower at the e-mail address set forth in this Deed of Trust (c) two (2) days after deposit in first-class or certified United States mail, postage prepaid, addressed to Borrower at the address set forth in this Deed of Trust; and (d) one (1) business day after deposit with a reputable nationally recognized overnight delivery service, delivery charges prepaid, addressed to Borrower at the address set forth in this Deed of Trust; provided, however, that notwithstanding anything to the contrary contained in this Section, service of any notice of default or notice of sale provided or required by law shall, if mailed, be deemed effective on the date of mailing. All notices and demands by Borrower to Lender under this Deed of Trust shall be in writing and shall be effective on actual receipt by Lender at Lender's address set forth in this Deed of Trust; provided, however, that nonreceipt of any such notice or demand by Lender as a result of Lender's refusal to accept delivery or Lender's failure to notify Borrower of Lender's change of address shall be deemed receipt by Lender. Borrower's and Lender's respective

addresses set forth in this Deed of Trust may be changed by written notice given to the other party in accordance with this Section. If Borrower consists of more than one Person, service of any notice or demand on any one of such Persons by Lender shall be effective service on Borrower for all purposes.

**6.16 Performance of Covenants.** Borrower shall perform and comply with all of its obligations under this Deed of Trust at Borrower's sole cost and expense.

**6.17 Severability; Savings Clause.** If any provision of the Loan Documents shall be held by any court of competent jurisdiction to be unlawful, voidable, void, or unenforceable for any reason, such provision shall be deemed to be severable from and shall in no way affect the validity or enforceability of the remaining provisions of the Loan Documents. Notwithstanding anything to the contrary contained in the Note or any of the other Loan Documents, the interest and other amounts paid or agreed to be paid to the Lender in consideration of the Loan evidenced by the Note (such interest and other amounts are referred to collectively as "Interest") shall not exceed the maximum rate permitted under applicable usury laws. If, for any reason, the Interest exceeds the maximum rate permitted under applicable usury laws, then (a) all excess Interest amounts previously collected by the Lender shall be credited against the principal balance of the Note or, at the Lender's option, to any other principal indebtedness of Borrower to Lender arising out of the Loan evidenced by the Note; (b) if the Note and all such other indebtedness have been paid in full, such excess amounts shall be refunded by the Lender to Borrower; and (c) the provisions of the Note shall automatically be deemed to be reformed and the amount of Interest payable hereunder shall automatically be deemed to be reduced, without the execution of any further documents by Borrower or Lender, so as to provide for the payment of Interest in an amount equal to, but not exceeding, the maximum rate permitted under applicable usury laws. All consideration paid to Lender which constitutes Interest under applicable usury laws shall be amortized, prorated, allocated, or otherwise apportioned throughout the term of the Note so that, to the extent possible, the rate of interest on the principal amount of the Note does not exceed the maximum rate permitted under applicable usury laws.

**6.18 Interpretation.** Whenever the context of the Loan Documents reasonably requires, all words used in the singular shall be deemed to have been used in the plural, and the neuter gender shall be deemed to include the masculine and feminine gender, and vice versa. For purposes of this Deed of Trust, all references to the Property or Improvements shall be deemed to refer to all or any part of the Property or Improvements, respectively. The headings to sections of this Deed of Trust are for convenient reference only, and they do not in any way define or limit any of the terms of this Deed of Trust and shall not be used in interpreting this Deed of Trust.

**6.19 Time of the Essence.** Time is of the essence in the performance of each provision of the Loan Documents by Borrower.

**6.20 Amendments.** The Loan Documents (excluding the Guaranty) may be modified only by written agreement signed by Lender and Borrower.

**6.21 Entire Agreement.** The Loan Documents contain the entire agreement concerning the subject matter of the Loan Documents and supersede all prior and contemporaneous negotiations, agreements, statements, understandings, terms, conditions, representations and warranties, whether oral or written, between Lender and Borrower concerning the Loan which are the subject matter of the Loan Documents.

**6.22 No Waiver by Lender.** No waiver by Lender of any of its rights or remedies in connection with the Obligations or of any of the terms or conditions of the Loan Documents shall be effective unless such waiver is in writing and signed by Lender. Without limiting the generality of this Section, (a) no delay or omission by Lender in exercising any of its rights or remedies in connection with the Obligations shall constitute or be construed as a waiver of such rights or remedies; (b) no waiver by Lender of any default by Borrower under the Loan Documents or consent by Lender to any act or omission by Borrower shall constitute or be construed as a waiver of or consent to any other or subsequent default, act or omission by Borrower; (c) no acceptance by Lender of any late payment or late or defective performance of any of the Obligations by Borrower shall constitute a waiver by Lender of the right to require

prompt payment and performance strictly in accordance with the Loan Documents with respect to any other payment or performance of any of the Obligations; (d) no acceptance by Lender of any payment or performance following any notice of default which has been given or recorded by Lender shall constitute a waiver of Lender's right to proceed with the exercise of its remedies with respect to any Obligations which have not been paid or performed in full; (e) no acceptance by Lender of any partial payment or performance shall constitute a waiver by Lender of any of its rights or remedies relating to any Obligations which have not been paid or performed in full; and (f) no application of Rents and Profits, Insurance Proceeds, Condemnation Proceeds or Property Proceeds to any of the Obligations shall constitute or be construed as a waiver by Lender or cure of any Event of Default or impair, prejudice, invalidate or otherwise affect any action by Lender or Trustee in response to such default.

**6.23 Waivers by Borrower.** Borrower waives presentment, demand for payment, protest, notice of demand, dishonor, protest and non-payment, and all other notices and demands in connection with the delivery, acceptance, performance, default under, and enforcement of the Loan Documents. Borrower waives the right to assert any statute of limitations as a defense to the enforcement of any or all of the Loan Documents to the fullest extent permitted by law. Without limiting the generality of the immediately preceding sentence, in the event of Borrower's payment in partial satisfaction of any or all of the Obligations, Lender shall have the sole and exclusive right and authority to designate the portion of the Obligations that is to be satisfied.

**6.24 Waiver of Marshalling.** Borrower and all Persons holding a Lien affecting the Property who have actual or constructive notice of this Deed of Trust waive (a) all rights to require marshalling of assets or liens in the event of Lender's exercise of any of its rights and remedies under this Deed of Trust, including any judicial or nonjudicial foreclosure sale of the Property; (b) all rights to require Lender to exhaust its rights and remedies against any other collateral securing any or all of the Obligations before pursuing its rights and remedies under this Deed of Trust; and (c) all rights to require Lender to exercise any other right or power or to pursue any other remedy which Lender may have under any document or applicable law before pursuing its rights and remedies under this Deed of Trust.

**6.25 Waiver of Subrogation.** Borrower waives all rights to recover against Lender for any loss or damage incurred by Borrower from any cause which is insured under any of the Insurance Policies, except that the foregoing waiver of subrogation shall not be effective with respect to any Insurance Policy if the coverage under such policy would be materially reduced or impaired as a result of such waiver. Borrower shall use its best efforts to obtain Insurance Policies which permit the waiver of subrogation contained in this Section.

**6.26 Cumulative Remedies.** No right or remedy of Lender or Trustee under this Deed of Trust or the other Loan Documents shall be exclusive of any other right or remedy under the Loan Documents or to which Lender or Trustee may be entitled. Lender's rights and remedies under the Loan Documents are cumulative and in addition to all other rights and remedies which Lender may have under any other document with Borrower and under applicable law. Lender shall have the right to exercise any one or more of its rights and remedies in connection with the Obligations at Lender's option and in its sole and absolute discretion, without notice to Borrower or any other Person (except as otherwise expressly required by law or under the Loan Documents), and in such order as Lender may determine in its sole and absolute discretion. If Lender holds any collateral in addition to the Property for any of the Obligations, Lender, at its option, shall have the right to pursue its rights or remedies with respect to such other collateral either before, contemporaneously with, or after Lender's exercise of its rights or remedies with respect to the Property. Upon the occurrence of an Event of Default, Lender, at its option, shall have the right to offset against any debt or monies due from Lender to Borrower against all or part of the Obligations.

**6.27 Subrogation to Lien Rights.** If any or all of the proceeds of the Note are directly or indirectly used to pay any outstanding Lien against the Property, or if Lender pays or discharges any Lien pursuant to any of the terms of the Loan Documents or under applicable law, Lender shall be subrogated to all rights and liens held by the holder of such Lien, regardless of whether such Lien is reconveyed.

**6.28 Joint and Several Liability.** Each Person signing this Deed of Trust as Borrower shall be jointly and severally liable to Lender for the performance of Borrower's obligations under the Loan Documents. If Borrower consists of more than one Person, the occurrence of any Event of Default with respect to any one or more of such Persons shall constitute an Event of Default and entitle Lender to exercise its rights and remedies under Article 4 of this Deed of Trust.

**6.29 Sale of Loan Documents.** Lender shall have the right to do any or all of the following at any time without prior notice to or the consent of Borrower or any other Person: (a) to sell, transfer, pledge or assign any or all of Loan Documents, or any or all servicing rights with respect thereto; (b) to sell, transfer, pledge or assign participations in the Loan Documents ("**Participations**"); and (c) to issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "**Securities**"). Lender is authorized to forward or disclose to each purchaser, transferee, pledgee, assignee, servicer, participant, or investor in such Participations or Securities (collectively, the "**Investor**") or any Rating Agency rating such Securities, each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Loan and to Borrower or any Guarantor as Lender determines to be necessary or desirable. Upon Lender's request, Borrower shall reasonably cooperate with Lender in connection with any of the transactions contemplated by this Section. Notwithstanding anything to the contrary contained in this Deed of Trust or any of the other Loan Documents, from and after the date of any sale, transfer or assignment of the Note and other Loan Documents by Lender or upon any realization of a pledge by a pledgee, the cross-default provision contained in Section 3.15 of this Deed of Trust shall terminate and shall be of no further force or effect.

**6.30 Applicable Law; Jurisdiction; Venue.** The Loan Documents shall be governed by and construed under the laws of the state of California (without giving effect to any state's conflict of law principles), except that the exercise of remedies against the Property shall be governed by the laws of the state in which the Property is located. All payments made pursuant to the Loan Documents are to be made to the Lender in California in which state the last act occurred to make the Note effective between the parties. Borrower agrees that the courts of the State of California and Federal District Courts located in San Francisco County, California, shall have exclusive jurisdiction and venue of any action or proceeding directly or indirectly arising out of or related to the negotiation, execution, delivery, performance, breach, enforcement or interpretation of the Loan Documents (except for foreclosure proceedings, which shall proceed in the state in which the Property is located and according to the laws of that state), regardless of how any claim, counterclaim or defense in any such action or proceeding is characterized. Borrower irrevocably consents to the personal jurisdiction and venue of such courts, and to the service of process in the manner provided for the giving of notices in this Deed of Trust. Borrower waives all objections to such jurisdiction and venue, including all objections that are based upon inconvenience or the nature of the forum.

**6.31 Successors.** Subject to the restrictions contained in the Loan Documents, the Loan Documents shall be binding upon and inure to the benefit of Lender and Borrower and their respective permitted successors and assigns.

**6.32 Power of Attorney.** Borrower irrevocably appoints Lender, with full power of substitution, as Borrower's attorney-in-fact, coupled with an interest, with full power, in Lender's own name or in the name of Borrower to take any or all of the actions specified in Article 4 above with respect to the Property. Lender shall have the right to exercise the power of attorney granted in this Section directly or to delegate all or part of such power to one or more agents of Lender. Nothing contained in this Deed of Trust shall be construed to obligate Lender to act on behalf of Borrower as attorney-in-fact.

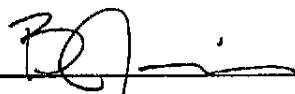
**6.33 Indemnification.** Borrower shall indemnify and hold Lender and its officers, directors, agents, employees, representatives, shareholders, affiliates, successors and assigns (collectively, the "**Indemnified Parties**") harmless from and against any and all claims, demands, damages, liabilities, actions, causes of action, suits, costs, and expenses, including attorneys' fees and costs, arising directly or indirectly out of or relating to any or all of the following: (a) Borrower's breach of any of its Obligations or warranties under the Loan Documents; (b) any act or

omission by Borrower; (c) any act or omission by a contractor, architect or any other Person providing labor, services, materials or equipment in connection with the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property; (d) Borrower's use and occupancy of the Property or any other activity or thing allowed or suffered by Borrower to be done on or about the Property; (e) any claims for commissions, finder's fees or brokerage fees arising out of the Loan or the transactions contemplated by the Loan Documents; and (f) Lender's exercise of any or all of Lender's rights or remedies under the Loan Documents in accordance with the terms thereof, except in the case of negligence or intentional tortious conduct of such Indemnified Party which such Indemnified Party is determined by the final judgment of a court of competent jurisdiction to have committed.

**6.34 State Specific Provisions.** State specific provisions are outlined on Exhibit B (if applicable), attached hereto and incorporated herein.

IN WITNESS WHEREOF, Borrower has caused this Deed of Trust to be executed as of the day and year first written above.

**BORROWER:** 1968 Avon, LLC, A Wyoming Limited Liability Company

  
\_\_\_\_\_

By: Acqua Nueve Partners LLC, a WY LLC, it's Manager

By: Brendan Jimenez, Chief Executive Manager

*also known as Brendan James Jimenez*

**NOTE: ALL FOREGOING SIGNATURES ON THIS INSTRUMENT MUST BE NOTARIZED**

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**

County of Los Angeles

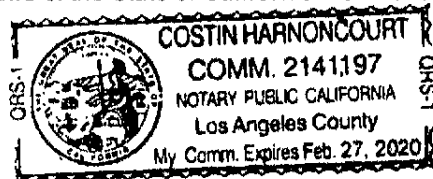
On 4/24/18 before me, Costin HARNONCOURT Notary Public  
(insert name and title of the officer)

personally appeared Brendan James Jimenez  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of **California** that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(Seal)

Re: Deed of Trust.

Escrow No.: 02-028899-AC  
Date: April 25, 2018

"EXHIBIT A"  
LEGAL DESCRIPTION

Lot 18 of the Elysian View Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 11, Page 190 of Maps, in the Office of the County Recorder of said County.

Together with a portion of vacated street of Ewing Street as stated in Resolution To Vacate No. 11-1401028 recorded June 20 2012 as Instrument Number 20120915505, of Official Records.

## CONSTRUCTION LOAN RIDER TO SECURITY INSTRUMENT

This Construction Loan Rider is attached to and made a part of the Deed of Trust, Mortgage, or Security Deed (the "Security Instrument") including an Assignment of Rents, and Fixture Filing dated 04-24-2018 executed by:

1968 Avon, LLC, A Wyoming Limited Liability Company  
("Borrower"), for the benefit of LendingHome Funding Corporation, a Delaware corporation ("Lender"), and encumbering the property described in the Security Instrument.

WHEREAS, Borrower desires to finance the construction of certain improvements to the Property and Borrower and Lender desire to establish certain terms and conditions relating to the disbursement of proceeds of the Construction Loan for such construction

WHEREAS, all references to the word "Loan" in the Security Instrument should include this Construction Loan.

NOW, THEREFORE, for valuable consideration, the Security Instrument is amended by adding the following Article 7.

### ARTICLE 7

#### CONSTRUCTION PROVISIONS

7.1 **Additional Definitions.** For purposes of this Security Instrument, the following terms shall have the following definitions:

(a) **Completion Date.** "Completion Date" means the date by which Borrower shall complete construction of the Project which must occur within (i) (x) ninety (90) days after the Initial Advance for loans with an original six (6) month term, or (y) one hundred eighty (180) days after the Initial Advance for loans with an original twelve (12) month term, as the case may be, or (ii) the Reserve Advance Termination Date (as defined in the Note), whichever is later.

(b) **Construction Loan.** "Construction Loan" means the total amount of the Reserve Advance identified in Schedule A to the Note.

(c) **Contractor.** "Contractor" means the licensed (if licensure is required by applicable law) general contractor or contractors who have been retained by Borrower to construct the Project. Contractors must be approved by Lender. As used herein, and if so approved by Lender, "Contractor" may be Borrower, in which case Borrower must be licensed as a general contractor if licensing is required under applicable law. A Contractor may be required by Lender on any Project in Lender's sole discretion and any change of Contractor must be approved by Lender.

(d) **Project.** "Project" means the improvements that Borrower proposes to construct on the Land as described in the Scope of Work

(e) **Scope of Work.** "Scope of Work" means a document completed on Lender's required form setting forth the final plans and specifications for the Project, describing in reasonable detail the improvements to be performed and/or construction on the Land, that has been approved by Lender. Any changes to the anticipated construction to the Land must be documented in an amendment of the Scope of Work, or change order, agreed to in

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writing by Lender. Lender will not disburse Construction Loan Proceeds for materials or labor costs inconsistent with the Scope of Work.

(f)

**7.2 Disbursement of Construction Loan Proceeds.** Lender agrees to disburse Construction Loan proceeds to Borrower during the period from the date of recordation of this Security Instrument up to but not including the Reserve Advance Termination Date (as defined in the Note) in the aggregate principal amount not to exceed at any time the amount of the Construction Loan under the following terms and conditions:

(a) **Use of Construction Loan Proceeds.** All Construction Loan proceeds disbursed to Borrower shall be in reimbursement of the costs of labor, material, equipment and services already incurred and paid for in full by Borrower. Borrower shall not use any portion of the Construction Loan proceeds to make any interest payment on the Loan or on any other outstanding loan(s) from or serviced by Lender.

(b) **Disbursement Requests.** From time to time during the course of construction of the Project, Borrower shall submit to Lender an itemized statement (the "Disbursement Request") showing the cost of, and documenting previous payment in full by the Borrower for, those items of labor, services, materials, and equipment that have been performed on or incorporated in, or delivered to the Project together with, if applicable, the pro rata portion of any contractor's fee, overhead, or general conditions attributable to such labor, services, materials, and equipment. Each Disbursement Request (i) shall be satisfactory to Lender in form and substance; (ii) shall be signed and certified as being true and correct by Borrower; (iii) shall be signed and certified as being true and correct by the contractor who completed the work or delivered the services, materials or equipment identified in the Disbursement Request; (iv) shall be accompanied by a true and correct copy of the bills and itemized receipts and invoices setting forth in reasonable detail the costs of labor, services, materials, and equipment used or performed which are the subject of the Disbursement Request (collectively, the "Invoices"); (v) shall be accompanied by a true and correct copy of all receipts demonstrating payment, cancelled checks or other proof of payment in full of the Invoices by the Borrower, in form and substance satisfactory to Lender in Lender's sole discretion; (vi) at Lender's request shall be accompanied by photographic evidence substantiating the work performed; (vii) at Lender's request, shall be accompanied by recorded video evidence substantiating the work performed; (viii) shall be accompanied by a lien waiver and release in form and substance satisfactory to Lender upon progress payment in the form required by the laws of the state in which the Property is located executed by each party whose Invoice was satisfied by the payments being reimbursed by the Disbursement Request; (ix) shall be accompanied by payment of any applicable fee charged by Lender for disbursement processing, release, or administration of the disbursement process and (x) shall be accompanied by such title insurance endorsements or other information as may be required by Lender to insure the first priority of this Security Instrument insofar as it secures such disbursement. All of the items and documentation required to accompany each Disbursement Request shall be considered a part of such Disbursement Request. For each Disbursement Request submitted to Lender, Borrower shall pay to Lender an administrative fee; provided that Lender shall have no obligation to approve any Disbursement Request that does not comply with this Section; provided further that Lender has the right to limit the total number of Disbursement Requests submitted by Borrower. Lender retains the right, in its sole and absolute discretion, to cancel the entire outstanding amount of the Construction Loan, for unsatisfactory work, as determined in its sole and absolute discretion, performed in connection with any Disbursement Request.

(c) **Disbursements.** Lender shall disburse funds directly to Borrower in the amount shown in the approved Disbursement Request (subject to clause (d) below) upon Lender's verification of the accuracy of each Disbursement Request based on Lender's inspection of the Project and/or Lender's review of the substantiating documentation. Lender may, in its sole discretion, refrain from disbursing any amounts up to the Final Disbursement Amount in accordance with clause (d) below. Notwithstanding anything in the foregoing, Lender shall not have any obligation to disburse any funds, including but not limited to the final disbursement, if the work performed or materials acquired are outside the scope of the Scope of Work, or Borrower is in default under the Loan Documents in any way.

(d) **Final Disbursement.** Notwithstanding anything herein to the contrary, and only unless Lender agrees in writing otherwise, the final disbursement shall be made at the successful completion of the Project, consistent with the Scope of Work, and pursuant to a final Disbursement Request by Borrower. The final disbursement

shall be in an amount equal to at least 10% or 25% of the Construction Loan proceeds, as set by Lender (the "Final Disbursement Amount"). The Final Disbursement Amount will be retained by Lender in the Reserve Account until completion of the Project and satisfaction of the conditions set forth below. Disbursements requested prior to the final Disbursement Request shall be paid only up to the aggregate amount necessary to leave the Final Disbursement Amount in the Reserve Account. Unless satisfaction is waived in writing by Lender, Lender shall approve and honor the final Disbursement Request upon satisfaction of all conditions to disbursements set forth in Section 7.2(b) above, and Lender's receipt and approval of the following: (i) a permanent and unconditional certificate of occupancy for the Project issued by the appropriate Governmental Authority, together with copies of all other Governmental Permits which may be required in order to allow occupancy of the Project; (ii) evidence that the Project has been completed in accordance with the Scope of Work and all other requirements of the Loan Documents have been satisfied; (iii) final waivers of lien executed by each laborer, materialman or contractor who may file a lien against the Property in connection with the Project in the form required by the laws of the state in which the Property is located; (iv) if applicable, such other assurances as may be necessary to satisfy the requirements of Lender's title insurer with respect to the issuance of, or the rewrite or reissuance of the ALTA lender's policy of title insurance to Lender, and (v) documents or information needed to satisfy any additional conditions Lender may impose in its sole and absolute discretion.

(e) **Borrower Certification.** With respect to each Disbursement Request that Borrower submits, Borrower shall be deemed conclusively to have certified to Lender that (i) the items of labor, services, materials, and equipment shown in the Disbursement Request have been performed on, supplied to, or installed in the Project in conformance with the Scope of Work and all Governmental Permits; (ii) the costs of labor, services, materials, and equipment shown in the Disbursement Request were commercially reasonable, and (iii) the cost of all items of labor, services, materials, and equipment shown in the Disbursement Request were fully paid by Borrower prior to the Disbursement Request. Borrower shall be deemed to have made the certification described in this Section with respect to each Disbursement Request received by Lender, notwithstanding Borrower's failure to sign such Disbursement Request.

(f) **Reliance by Lender.** Lender may conclusively presume that all Disbursement Requests, statements, information, certifications, and representations, whether written, oral or electronic, submitted or made by Borrower, Contractor, or any of the other parties involved in the Project, or any of their respective agents, to Lender in connection with the Construction Loan are true and correct, and Lender shall be entitled to rely thereon, without investigation or inquiry of any kind by Lender, in advancing the Construction Loan proceeds and taking or refraining from taking any other action in connection with the Construction Loan.

(g) **No Default.** To receive disbursement of any Construction Loan proceeds, Borrower must not be in default under the Loan Documents or under any monthly payment grace period for this Loan or any other loan made or serviced by Lender.

**7.3 Construction Covenants.** Borrower covenants and agrees to comply with each of the following terms and conditions:

(a) **Approval of Scope of Work, Permits and Notices.** Borrower shall deliver to Lender for Lender's approval complete and accurate copies of the following documents upon Borrower's receipt thereof: (i) Scope of Work and any material modifications thereto; (ii) Construction Contracts and any material modifications thereto; (iii) Governmental Permits related to the Project; (iv) and all material notices, requests, and demands received by Borrower from any Governmental Authority, architect, contractor, subcontractor or engineer related to the Project.

(b) **Commencement of Construction.** After recordation of this Security Instrument and Lender's approval of the Scope of Work and other documents described in Section 7.3(a) herein, Borrower shall commence construction of the Project and shall thereafter diligently prosecute construction in a good and workmanlike manner in accordance with the Scope of Work. For the avoidance of doubt, Borrower shall not commence any construction activity prior to the date of recordation of this Security Instrument which may result in any mechanic's lien or similar lien gaining priority over the lien of this Security Instrument, unless arrangements acceptable to Lender have been made by Borrower for the issuance of a title insurance policy to Lender which satisfies the requirements of

**7.9 Cooperation.** Borrower shall at all times cooperate with Lender in order to ensure that the Property is developed in accordance with the requirements of the Loan Documents. Upon Lender's request, Borrower (a) shall execute such further documents and instruments and perform such further acts as may be required by Lender to carry out the terms and conditions of the Loan Documents; and (b) shall assign to Lender as additional collateral for the Loan such further rights, privileges, permits, licenses, approvals, contracts, agreements, reports, and other documents relating to the Property as Lender may require.

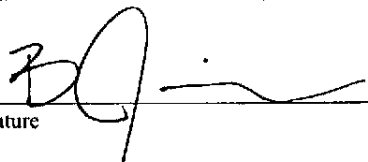
**7.10 No Duty to Inspect.** Lender shall have no obligation to supervise or inspect the Project or to examine any of Borrower's or Contractor's books and records relating to the Property. All such inspections and examinations by Lender, including Lender's review and approval of the Scope of Work or Construction Contract shall be for Lender's sole benefit and not for the benefit of Borrower. No inspection of the Project by Lender shall constitute or be construed as a representation or determination by Lender that the Project complies with the Scope of Work or that the Project is or will be free from defective work or materials.

**7.11 No Liability of Lender.** Borrower shall have the sole responsibility for all aspects of Borrower's business and the development of the Property, including (a) the quality, suitability and adequacy of the Scope of Work; (b) the inspection and supervision of construction of the Project; (c) the qualifications, financial condition and performance of all architects, engineers, contractors, subcontractors, material suppliers, consultants, sureties, bonding companies, property managers and other Persons supplying labor, materials, services, or equipment to the Property; (d) the accuracy of all Disbursement Requests; (e) the suitability, adequacy, enforceability, and validity of the Construction Contracts; (f) the conformance of the Project with the Scope of Work and the existence or non-existence of any defective work or materials in the Project; and (g) the legitimacy of any party making a Disbursement Request on Borrower's behalf. Borrower agrees that Lender shall not be directly or indirectly liable or responsible in any way or under any circumstances to Borrower or any other Person for any or all of the matters described in parts (a) through (g) of this Section, and Lender owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective workmanship or materials in connection with the construction of the Project.

**7.12 Relationship of Parties.** Nothing contained in the Loan Documents or the transactions contemplated by the Loan Documents shall (a) constitute or be construed as the formation of a partnership or joint venture between Lender and Borrower or any Person; or (b) constitute or be construed as the creation of any confidential or fiduciary relationship of any kind between Lender and Borrower or any other Person; or (c) result in Lender being deemed to be a manager, controlling person, or other business associate or participant of any kind in the conduct of Borrower's business or affairs, including the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property.

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed as of the date indicated on the Security Instrument.

**BORROWER:** 1968 Avon, LLC, A Wyoming Limited Liability Company

  
\_\_\_\_\_  
Signature

By: Acqua Nueve Partners LLC, a WY LLC, it's Manager  
By: Brendan Jimenez, Chief Executive Manager

this Security Instrument. Disbursement Requests related to labor or services performed, or materials or equipment delivered, prior to the date of recordation of the Security Instrument will not be honored.

(c) **Completion of Construction.** Borrower shall complete construction of the Project, consistent with the Scope of Work, on or before the Completion Date. For purposes of this Section, the Project shall be deemed to be completed when (i) the conditions for the release of the Final Disbursement Amount in Section 7.2(d) have been satisfied and (ii) all utility services for the Project have been completed and are in full operation.

(d) **Notice of Completion.** Lender may from time to time request Borrower shall sign and record a notice of completion for the Project in the office of the county recorder for the county in which the Property is located as soon as permitted under applicable law. Upon Lender's request, Borrower (i) shall sign and record a notice of cessation of labor and such other similar notices or documents as Lender may reasonably require to protect its interest in connection with the Construction Loan; and (ii) shall provide Lender with a copy of all notices recorded pursuant to this Section certified by the county recorder.

7.4 **Inspection.** Lender shall have the right at all times to enter upon and inspect the Property, or designate an agent to do the same, and to contact any Person supplying labor, materials, services, or equipment to the Property to verify information disclosed by Borrower or the Contractor to Lender, to obtain information relating to the Property, or for any other purpose relating to the Construction Loan, and Borrower authorizes each such Person to provide such information to Lender.

7.5 **Right to Stop Work.** If Lender determines that any portion of the Project does not conform in any material respect to the Scope of Work or the requirements of the Loan Documents, Lender shall have the right (a) to require Borrower and the Contractor to stop work on such portion of the Project and to correct the non-conforming matter as soon as reasonably practicable; and (b) to withhold any or all further disbursements relating to such portion of the Project until the matter has been corrected. No such action by Lender shall affect Borrower's obligation to complete the Project on or before the Completion Date or comply with the terms of the Loan Documents. Borrower, at its expense, shall take all actions which may be reasonably necessary to correct any non-conforming matter within the time period reasonably specified by Lender or, if no time period is specified, as soon as reasonably practicable.

7.6 **Lien Claims; Stop Notices.** Borrower shall promptly pay and discharge all claims and liens for labor, services, materials and equipment furnished in connection with the development of the Property. Lender shall have the right to withhold Construction Loan proceeds pursuant to any stop notice or bonded stop notice that is served on Lender in connection with the Construction Loan. Within ten (10) days after service of any such stop notice on Lender or the recordation of any mechanic's lien or other similar lien against the Property, Borrower (a) shall cause the claim evidenced by the stop notice or lien to be paid in full out of Borrower's own funds and not out of the Construction Loan proceeds and thereby cause such stop notice or lien to be released and discharged; (b) shall deliver to Lender or record, as appropriate, a surety bond complying with all applicable Governmental Requirements which is sufficient to release such stop notice or lien, or (c) shall make such other arrangements as may be acceptable to Lender for the payment of the claim evidenced by the stop notice or lien and the protection of Lender and the Property from the effect of the stop notice or lien.

7.7 **Compliance with Applicable Laws.** Borrower shall at all times comply with and keep in effect all Governmental Permits. Borrower shall at all times cause the Property to comply with (a) all Governmental Requirements; (b) all requirements and orders of all judicial authorities which have jurisdiction over the Property; and (c) all covenants, conditions, restrictions and other matters of record affecting the Property.

7.8 **Additional Insurance.** In addition to the insurance requirements set forth in Section 2.3 of this Security Instrument, Borrower at its expense shall at all times maintain in full force builder's all-risk insurance covering the Project and all materials stored on the Property, together with such endorsements as Lender may require, including vandalism, malicious mischief, earthquake, and flood coverage, and such other types of insurance as may from time to time be required by Lender. Failure to obtain, or cancellation of, such insurance is an event of default which could result in acceleration of the debt, or Lender refusal to honor Disbursement Requests.

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## 1-4 FAMILY RIDER

(Assignment of Rents)

THIS 1-4 FAMILY RIDER is made on 04-24-2018 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to:

LendingHome Funding Corporation, A Delaware Corporation (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

1968 AVON ST, LOS ANGELES, CA, 90026

[Property Address]

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT.** In addition to the Property described in Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

**B. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

**C. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

**D. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

**E. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Section 19 is deleted.

**F. BORROWER'S OCCUPANCY.** Unless Lender and Borrower otherwise agree in writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

**G. ASSIGNMENT OF LEASES.** Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees,

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receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

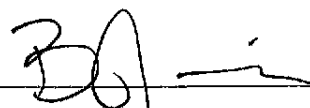
Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

**I. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this 1-4 Family Rider.

**Borrower:**

1968 Avon, LLC, A Wyoming Limited Liability Company



By: Acqua Nueve Partners LLC, a WY LLC, it's Manager

By: Brendan Jimenez, Chief Executive Manager

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## Title documents



This page is part of your document - DO NOT DISCARD



**20180345237**



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

04/10/18 AT 03:46PM

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
<hr/> PAID:	0.00



LEADSHEET



201804103240023

00015102450



009014199

SEQ:  
19

DAR - Courier (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED



City of Los Angeles

WHEN RECORDED MAIL TO:

Los Angeles Housing + Community  
Investment Department  
Landlord Declarations  
P.O. Box 57398  
Los Angeles, CA 90057-0398



\*20180345237\*

Space above is for Recorder's use only

## Notice of Constraints to Landlords and Successors in Interest

To all persons claiming an interest in real property located at 1410-1410 ½ W Ewing St. and 1968 N Avon St. Los Angeles, Ca 90026. particularly described as:

Lot 18 Tract ELYSIAN VIEW TRACT, in the City of Los Angeles, County of Los Angeles, State of California, per map recorded in Book 11 Page 190/191 of Maps, in the office of the Los Angeles County Recorder.

THE CITY OF LOS ANGELES hereby gives notice that certain restrictions as described in this Notice of Constraints will apply to the future use of that property and the terms under which it may be rented or offered for rent as a housing accommodation.

A *Notice of Intent to Withdraw Units from Rental Housing Use* (Notice of Intent) for this property was filed with the City of Los Angeles Housing Department, pursuant to Los Angeles Municipal Code (LAMC) Section 151.23A, on 9/20/2017. The accommodations that are the subject of the Notice of Intent for this property are deemed withdrawn from the rental housing market 120 days after 9/20/2017, unless the date was extended pursuant to the provisions of LAMC Section 151.23B up to one year after 9/20/2017. The following restrictions arise from the filing of the Notice of Intent:

1. Restrictions that apply through the date that is two years from the date of withdrawal of accommodations from the rental market of rental units on the property (*LAMC §151.23 B*):
  - 1.1 If the property is offered for rent, the landlord may be liable to any tenant who was displaced when the property was withdrawn from rental housing use for actual and exemplary damages. (*LAMC §151.25A*)
  - 1.2 If the property is offered for rent, the landlord may be liable for exemplary damages in a civil action brought by the City of Los Angeles. (*LAMC §151.25B*)
  - 1.3 Any landlord who offers a unit at the property for rent shall first offer to rent or lease that unit to the tenant or tenants displaced from the unit when the property was withdrawn from rental housing use. Such offer shall be deposited by registered or certified mail, postage prepaid, and addressed to the displaced tenant or tenants at the last address provided by the tenant or tenants. This obligation shall exist, however, only if the tenant(s) gave the landlord who withdrew the unit written notice of a desire to renew the tenancy if the unit were again offered for rent, and did so within 30 days of being displaced. (*LAMC §151.27A*)
2. Restrictions that apply through the date that is five years from the date of withdrawal of accommodations from the rental market of rental units on the property (*LAMC §151.23B*):
  - 2.1 If the property is offered for rent, it shall be offered for no more than the maximum allowable rent in effect when the landlord filed the Notice of Intent with the City of Los Angeles, plus any intervening annual general adjustments as authorized by LAMC § 151.06D. Should the withdrawal of a rental

unit be rescinded or otherwise not completed, the term of this restriction on rent is five years from the date the Notice of Intent to Withdraw was filed with the City. (LAMC §151.26)

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2.2 If any unit at the property is offered for rent, it shall first be offered to any tenant(s) displaced from that unit when the property was withdrawn, provided that the tenant(s) request(s) the offer in writing within 30 days after the landlord has notified the City pursuant to paragraph 3.1 below. (LAMC §151.27B)

2.3 Any landlord who fails to comply with the provisions of paragraph 2.2 shall be liable to any displaced tenant for punitive damages in an amount not to exceed six month's rent. (LAMC §151.27B)

3. Other restrictions that apply:

3.1 Any landlord who desires to offer a unit at the property for rent or lease shall give the Los Angeles Housing Department written notice of such intent. Such notice shall include the names and mailing addresses of all owners of the property and the addresses of the accommodations to be re-rented. (LAMC §151.24A)

3.2 Except as indicated in paragraphs 1.3 and 2.2 above, the landlord shall not offer for rent or lease any unit from which a tenant was displaced for a period of 30 days following the filing of such notice of intent to re-rent withdrawn accommodations, pursuant to the provisions of paragraph 3.1 above. (LAMC §151.24B)

3.3 The provisions of the Rent Stabilization Ordinance, LAMC §151.00, ET. seq., and other provisions of Chapter XV of the LAMC, shall apply to the newly constructed rental units, if a building containing a rental unit that was the subject of a Notice of Intent to Withdraw pursuant to the provisions of LAMC § 151.23A is demolished and rental units are constructed on the same property and offered for rent or lease within five years from the date that the rental unit that was the subject of the Notice of Intent to Withdraw was withdrawn from rent or lease. (LAMC §151.28A)

Citations to particular City of Los Angeles Municipal Code sections are to those in effect on the date of recording. All the above restrictions apply to the withdrawing landlord and to any successor in interest including, but not limited to, the holder of a security interest or purchaser at a forced sale upon the foreclosure of a security interest, upon sale of the property pursuant to a power of sale contained in a deed of trust or similar instrument, or upon sale under a statutory or other involuntary lien. This Notice of Constraints is filed in order to preserve the rights of the City of Los Angeles and the rights of all affected past, present, and future tenants of this property. This Notice of Constraints shall not be deemed an admission that the landlord has lawfully withdrawn this property from rent or lease. This Notice of Constraints shall not be construed in such a way as to limit any rights of the City of Los Angeles or of any past, present or future tenants to make any claims against the landlord or successors in interest.

APN: 5415-009-041

Property Address:

1410-1410 ½ W Ewing St. and 1968 N Avon St,  
Los Angeles, Ca 90026

Property Owner of Record:

SA Development, LLC

Ellis case # LD053277

Executed on 09/20/2017 at Los Angeles, California

CITY OF LOS ANGELES  
HOUSING + COMMUNITY INVESTMENT  
DEPARTMENT  
Rushmore D Cervantes, General Manager

By: EMMA GARCIA  
Senior Management Analyst I  
Landlord Declarations Section

For:   
ANNA ORTEGA  
Director, Rent Stabilization



## Property Profile



## Selected Property

APN #: 5415-009-041  
1968 Avon St  
Los Angeles  
Los Angeles County, CA 90026

## Package Highlights

- Property Profile
- Sales Comparables
- Sales Comparable Summary
- Nearby Homeowners
- Plat Map
- Aerial Map
- Street View
- Property History

## Brought to you by



Joanne Galin  
Orange Coast Title Company  
310-993-5656  
[JGalin@octitle.com](mailto:JGalin@octitle.com)  
[www.octitle.com/JGalin](http://www.octitle.com/JGalin)

This informational product is being furnished free of charge as a customer service by Orange Coast Title Company (OCT) in conformance with the rules established by the California Department of Insurance. The information contained herein as well as any accompanying documents is not a full representation of the status of title to the property in question. The issuance of this information does not constitute a contract to issue a policy of title insurance on these same terms, neither express or implied. While the information contained herein is believed to be accurate, no liability is assumed by OCT either in contract, tort or otherwise for any error or omission contained herein and this information may not be relied upon in the acquisition or in any loan made on property by the recipient of this information without the issuance of a policy of title insurance.

# Property Profile

## Property Data

Site Address:

1968 Avon St  
Los Angeles, CA 90026

Mail Address:

2714 Montecito Street  
Los Angeles, CA 90031

Primary Owner: LONGPLATT CO,

Secondary Owner:

APN: 5415-009-041

Census Tract: 1973.00

Housing Tract

Number:

Legal Description: LOT:18 ELYSIAN VIEW TRACT VAC ST ADJ ON SE  
AND LOT 18

Subdivision:

Property County: Los Angeles County

## Property Characteristics

Bedrooms: 4

Year Built: 1910

Square Feet: 2454

Bathrooms: 2

Use Code: Duplex (2 units, any combination)

Lot Size: 7294 Sqft

Total Rooms:

Number of Units: 2

Garage:

Zoning: LARD3

Amenities:

Number of Stories:

Building Style:

Coords: 34.086824,-118.248115

## Sale & Loan Information

Transfer Date:  
05/28/2020

Seller: SHAPIRO, CHENEY; CHENEY SHAPIRO 401K  
TRUST,

Document: 20-0580097

Transfer Value: \$0.00

Cost/Sq Feet: 0

Title Company: None  
Available

First Loan Amt: \$0.00

Lender:

## Assessed & Tax Information

Assessed Value: \$933,300.00

Percent Improvement: 0.235

Homeowner Exemption:

Land Value: \$714,000.00

Tax Amount: \$11,264.10

Tax Rate Area: 0-013

Improvement Value: \$219,300.00

Tax Status: Current

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# Sales Comparables

## (1) 1621 Edgecliffe Dr Los Angeles CA, 90026 APN: 5429-021-008

Bed/Bath: 3/2	Lot Size: 6611 sq ft (0.15 acres)	Transfer Date: 08/03/2020
Square Feet: 1608	Assessed Value: \$872,684.00	Transfer Value: \$1,135,000.00
Year Built: 1912	Proximity: 1.71 mi	First Loan: \$964,750.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$705.00
Doc Num: 20-0876076	Owner: NICHOLAS BLILEY, SARAH RAE PAULIN	

## (2) 3363 Descanso Dr Los Angeles CA, 90026 APN: 5426-009-027

Bed/Bath: 6/4	Lot Size: 7559 sq ft (0.17 acres)	Transfer Date: 08/03/2020
Square Feet: 4100	Assessed Value: \$979,093.00	Transfer Value: \$1,675,000.00
Year Built: 1986	Proximity: 1.62 mi	First Loan: \$1,256,250.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$408.00
Doc Num: 20-0875746	Owner: BERNARD F ASHKAR, MICHELE ASHKAR	

## (3) 226 S Avenue 21 Los Angeles CA, 90031 APN: 5204-006-014

Bed/Bath: 5/3	Lot Size: 7429 sq ft (0.17 acres)	Transfer Date: 07/24/2020
Square Feet: 1857	Assessed Value: \$290,172.00	Transfer Value: \$750,000.00
Year Built: 1901	Proximity: 1.97 mi	First Loan: \$736,415.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$403.00
Doc Num: 20-0832798	Owner: ANDREW ALESSO, KATHERINE ALESSO	

## (4) 1912 N Alvarado St Los Angeles CA, 90039 APN: 5420-004-015

Bed/Bath: 3/3	Lot Size: 7502 sq ft (0.17 acres)	Transfer Date: 07/23/2020
Square Feet: 1552	Assessed Value: \$988,380.00	Transfer Value: \$1,200,000.00
Year Built: 1920	Proximity: .49 mi	First Loan: \$960,000.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$773.00
Doc Num: 20-0823204	Owner: JONATHAN SABA	

## (5) 1335 Mohawk St Los Angeles CA, 90026 APN: 5424-025-016

Bed/Bath: 4/3	Lot Size: 7497 sq ft (0.17 acres)	Transfer Date: 07/13/2020
Square Feet: 2421	Assessed Value: \$1,068,453.00	Transfer Value: \$1,850,000.00
Year Built: 1924	Proximity: 1.01 mi	First Loan: \$750,000.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$764.00
Doc Num: 20-0765188	Owner: SHANNON COIT, COLIN MICHEL	

## (6) 1617 Landa St Los Angeles CA, 90026 APN: 5443-013-004

Bed/Bath: 2/2	Lot Size: 7362 sq ft (0.17 acres)	Transfer Date: 07/10/2020
Square Feet: 892	Assessed Value: \$466,279.00	Transfer Value: \$935,000.00
Year Built: 1929	Proximity: .60 mi	First Loan: \$794,750.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$1,048.00
Doc Num: 20-0757731	Owner: TREVOR MCFEDRIES	

(cont)

# Sales Comparables

(7) 1602 Silverwood Ter Los Angeles CA, 90026 APN: 5423-017-028

Bed/Bath: 2/2	Lot Size: 6152 sq ft (0.14 acres)	Transfer Date: 07/10/2020
Square Feet: 2752	Assessed Value: \$99,070.00	Transfer Value: \$2,125,000.00
Year Built: 1925	Proximity: 1.14 mi	First Loan: \$1,680,000.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$772.00
Doc Num: 20-0758894	Owner: MATTHEW B GARCIA, SAMANTHA L GARCIA	

(8) 2201 W Court St Los Angeles CA, 90026 APN: 5157-017-010

Bed/Bath: 3/2	Lot Size: 6311 sq ft (0.14 acres)	Transfer Date: 07/08/2020
Square Feet: 1428	Assessed Value: \$707,472.00	Transfer Value: \$2,625,000.00
Year Built: 1924	Proximity: 1.69 mi	First Loan: \$0.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$1,838.00
Doc Num: 20-0746515	Owner: HANA BY GRACE LLC	

(9) 802 N Dillon St Los Angeles CA, 90026 APN: 5426-013-003

Bed/Bath: 6/3	Lot Size: 3817 sq ft (0.09 acres)	Transfer Date: 07/01/2020
Square Feet: 2288	Assessed Value: \$320,081.00	Transfer Value: \$940,000.00
Year Built: 1923	Proximity: 1.69 mi	First Loan: \$820,000.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$410.00
Doc Num: 20-0720873	Owner: INVESTOR PARTNERS LLC	

(10) 1410 Mohawk St Los Angeles CA, 90026 APN: 5424-027-004

Bed/Bath: 5/2	Lot Size: 7500 sq ft (0.17 acres)	Transfer Date: 06/30/2020
Square Feet: 2088	Assessed Value: \$201,179.00	Transfer Value: \$1,065,000.00
Year Built: 1905	Proximity: .94 mi	First Loan: \$122,500.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$510.00
Doc Num: 20-0713903	Owner: JAMES M BASSANI	

(11) 903 New Depot St Los Angeles CA, 90012 APN: 5406-028-031

Bed/Bath: 5/2	Lot Size: 29411 sq ft (0.68 acres)	Transfer Date: 06/29/2020
Square Feet: 1715	Assessed Value: \$287,340.00	Transfer Value: \$550,000.00
Year Built: 1974	Proximity: 1.48 mi	First Loan: \$250,000.00
Use Code: Duplex (2 units, any combination)	Number of Units: APT	Cost/SQFT: \$320.00
Doc Num: 20-0704794	Owner: WANDA WU, SI LY	

(12) 1562 Lemoyne St Los Angeles CA, 90026 APN: 5419-006-005

Bed/Bath: 5/2	Lot Size: 4802 sq ft (0.11 acres)	Transfer Date: 06/25/2020
Square Feet: 2061	Assessed Value: \$210,084.00	Transfer Value: \$590,000.00
Year Built: 1906	Proximity: .57 mi	First Loan: \$472,000.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$286.00
Doc Num: 20-0693345	Owner: CHRISTOPHER MCCORMICK, ALISON LEIGH BLAN...	

(cont)

# Sales Comparables

(13) 2921 Bellevue Ave Los Angeles CA, 90026 APN: 5401-026-024

Bed/Bath: 2/2	Lot Size: 2131 sq ft (0.05 acres)	Transfer Date: 06/24/2020
Square Feet: 1020	Assessed Value: \$64,153.00	Transfer Value: \$600,000.00
Year Built: 1926	Proximity: 1.74 mi	First Loan: \$470,625.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$588.00
Doc Num: 20-0689168	Owner: MICHAEL E HIATT, DEBORAH A CHENOWETH	

(14) 1132 N Coronado St Los Angeles CA, 90026 APN: 5402-017-022

Bed/Bath: 2/2	Lot Size: 7499 sq ft (0.17 acres)	Transfer Date: 06/23/2020
Square Feet: 1310	Assessed Value: \$168,390.00	Transfer Value: \$675,000.00
Year Built: 1912	Proximity: 1.23 mi	First Loan: \$573,750.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$515.00
Doc Num: 20-0682398	Owner: KARLA RUZICKI IRELAND	

(15) 3289 Larga Ave Los Angeles CA, 90039 APN: 5436-021-027

Bed/Bath: 4/4	Lot Size: 4499 sq ft (0.10 acres)	Transfer Date: 06/22/2020
Square Feet: 1921	Assessed Value: \$60,602.00	Transfer Value: \$865,000.00
Year Built: 1931	Proximity: 1.96 mi	First Loan: \$648,750.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$450.00
Doc Num: 20-0677347	Owner: MARDI KARI	

(16) 1388 Lucile Ave Los Angeles CA, 90026 APN: 5427-015-014

Bed/Bath: 4/2	Lot Size: 7350 sq ft (0.17 acres)	Transfer Date: 06/04/2020
Square Feet: 2020	Assessed Value: \$1,014,900.00	Transfer Value: \$1,100,000.00
Year Built: 1920	Proximity: 1.80 mi	First Loan: \$0.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$544.00
Doc Num: 20-0606710	Owner: DAVIS GROUP LLC	

(17) 1623 Landa St Los Angeles CA, 90026 APN: 5443-013-005

Bed/Bath: 2/2	Lot Size: 6427 sq ft (0.15 acres)	Transfer Date: 05/29/2020
Square Feet: 968	Assessed Value: \$505,137.00	Transfer Value: \$1,030,000.00
Year Built: 1929	Proximity: .60 mi	First Loan: \$943,222.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$1,064.00
Doc Num: 20-0585610	Owner: ANDREW TAMASHIRO, AKINA SATO	

(18) 1752 Clinton St Los Angeles CA, 90026 APN: 5404-010-013

Bed/Bath: 4/3	Lot Size: 5605 sq ft (0.13 acres)	Transfer Date: 05/05/2020
Square Feet: 1996	Assessed Value: \$355,588.00	Transfer Value: \$940,000.00
Year Built: 1912	Proximity: 1.33 mi	First Loan: \$0.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$470.00
Doc Num: 20-0490544	Owner: LUKE HANNA, ERIC C WASSERMAN	

(cont)

# Sales Comparables

(19) 3338 Alice St Los Angeles CA, 90065 APN: 5454-025-023

Bed/Bath: 3/2	Lot Size: 5197 sq ft (0.12 acres)	Transfer Date: 04/30/2020
Square Feet: 1608	Assessed Value: \$363,628.00	Transfer Value: \$808,000.00
Year Built: 1927	Proximity: 1.38 mi	First Loan: \$646,400.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$502.00
Doc Num: 20-0477132	Owner: RONA LU, NICHOLAS LOMBARDO	

(20) 3322 Maceo St Los Angeles CA, 90065 APN: 5453-022-007

Bed/Bath: 3/2	Lot Size: 5600 sq ft (0.13 acres)	Transfer Date: 04/24/2020
Square Feet: 1438	Assessed Value: \$41,261.00	Transfer Value: \$660,000.00
Year Built: 1912	Proximity: 1.44 mi	First Loan: \$495,000.00
Use Code: Duplex (2 units, any combination)	Number of Units:	Cost/SQFT: \$458.00
Doc Num: 20-0455176	Owner: SEAN C WHITE	

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# Sales Comp Map

Numbers on markers correspond to number in sales comp listing.

## Sales Comps



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# Sales Comp Summary

## Sales Comparable Summary based on 20 Sales Comparables

Characteristic	Low	Average	High
Assessed Value:	\$41,261.00	\$453,197.30	\$1,068,453.00
Transfer Value:	\$550,000.00	\$1,105,900.00	\$2,625,000.00
Square Footage:	892	1852	4100
Cost/SqFt:	\$286.00	\$641.40	\$1,838.00
Bedrooms:	2	3.6	6
Bathrooms:	2	2.4	4
Year Built:	1901	1924	1986
Lot Size:	2131	7313.05	29411

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## Nearby Homeowners

### (1) LONGPLATT CO,

1968 Avon St  
Los Angeles CA, 90026  
Beds: 4 Baths: 2 SQFT: 2454 Year Built: 1910

### (3) BARBER WILLIAM J & CHRISTINE F

1941 Park Dr  
Los Angeles CA, 90026  
Beds: 3 Baths: 3 SQFT: 2508 Year Built: 2011

### (5) SHAW PAULINE; SHERMAN ANDREW H

2019 Avon St  
Los Angeles CA, 90026  
Beds: 3 Baths: 2 SQFT: 1768 Year Built: 1922

### (7) VIVANCO ILDEFONSO & GINA

1518 Ewing St  
Los Angeles CA, 90026  
Beds: 4 Baths: 2 SQFT: 1608 Year Built: 1913

### (9) TRUONG, JOHNNY

1514 1/4 Ewing St  
Los Angeles CA, 90026  
Beds: 4 Baths: 2 SQFT: 1784 Year Built: 1926

### (11) KANDEL SUSAN E

2029 Avon St  
Los Angeles CA, 90026  
Beds: 3 Baths: 2 SQFT: 1512 Year Built: 1927

### (13) DORN DODY J; DODY DORN TRUST

1923 Park Dr  
Los Angeles CA, 90026  
Beds: 3 Baths: 2 SQFT: 1684 Year Built: 1912

### (2) DAWSON RICHARD C (CO-TR); R DAWSON AND A WALLACE TRUST

1972 Avon St  
Los Angeles CA, 90026  
Beds: 6 Baths: 3 SQFT: 2778 Year Built: 1948

### (4) HALL ALEXIS

2027 Park Dr  
Los Angeles CA, 90026  
Beds: 2 Baths: 2 SQFT: 1974 Year Built: 1915

### (6) BATTAGLIA RICHARD; RICHARD BATTAGLIA TRUST

2031 Park Dr  
Los Angeles CA, 90026  
Beds: 3 Baths: 3 SQFT: 2306 Year Built: 1930

### (8) BOWERS PAUL; PAUL BOWERS TRUST

1519 Ewing St  
Los Angeles CA, 90026  
Beds: 3 Baths: 2 SQFT: 1530 Year Built: 1922

### (10) BURDICK JOHN

2012 Valentine St  
Los Angeles CA, 90026  
Beds: 2 Baths: 2 SQFT: 1144 Year Built: 1930

### (12) VAILLANCOURT PATRICK; LOISELEUX SIDONIE

1525 Ewing St  
Los Angeles CA, 90026  
Beds: 3 Baths: 2 SQFT: 1254 Year Built: 1922

### (14) CLESOWICH NATHAN; MITCHELL HEATHER

2033 Avon St  
Los Angeles CA, 90026  
Beds: 4 Baths: 3 SQFT: 2122 Year Built: 1952

(cont)

## Nearby Homeowners

(15) D AUGUSTINE JOSEPH & HEATHER M

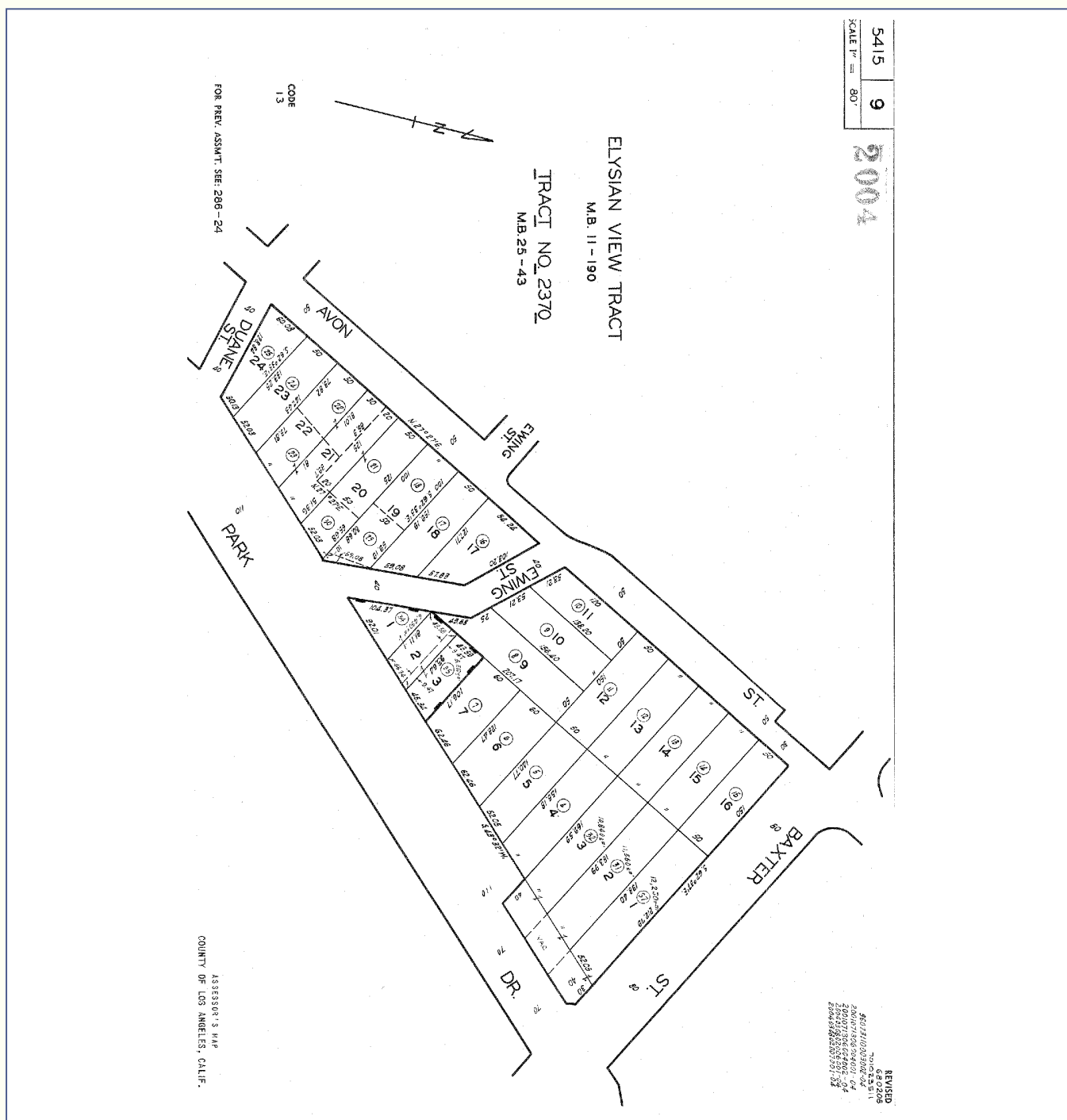
2039 Avon St

Los Angeles CA, 90026

Beds: 5 Baths: 2 SQFT: 1986 Year Built: 1950

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# Plat Map



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## Aerial Map



## Street View



# Property History

## Property History for 1968 Avon St Los Angeles, CA 90026

Item1 - Transaction Date: 06/19/2020

### Refinance

APN: [5415-009-041](#)  
Buyer/Borrower: [LONGPLATT CO](#)  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: [Refi](#)  
Deed Type: [Stand Alone Second](#)  
Doc #: [20-0673662](#) [view doc](#)

### Mortgage Record

Lender: [LANTZMAN MANAGEMENT INC](#)  
Full/Partial:  
Multiple/Portion:  
First Loan: [\\$295,000.00](#)  
Loan Type: [Stand Alone Second](#)  
Interest Rate Type:  
Second Loan  
Amount:

Item2 - Transaction Date: 05/28/2020

### Transfer

APN: [5415-009-041](#)  
Buyer/Borrower: [LONGPLATT CO](#)  
Seller: [SHAPIRO, CHENEY; CHENEY SHAPIRO 401K TRUST](#)  
Title Company  
Transaction Value: [\\$0.00](#)  
Transaction Type: [Transfer](#)  
Deed Type: [Grant Deed](#)  
Doc #: [20-0580097](#) [view doc](#)

Item3 - Transaction Date: 03/26/2020

### Transfer

APN: [5415-009-041](#)  
Buyer/Borrower: [1968 AVON LLC](#)  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: [Transfer](#)  
Deed Type: [Substitution of Trustee and Full Reconveyance](#)  
Doc #: [20-0351812](#) [view doc](#)

(cont)



# Property History

Item4 - Transaction Date: 03/06/2020

## Refinance

APN: 5415-009-041  
Buyer/Borrower: THE CHENEY SHAPIRO 401K  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: Refi  
Deed Type: Conventional  
Doc #: 20-0268719 [view doc](#)

## Mortgage Record

Lender: LANTZMAN MANAGEMENT  
INC  
Full/Partial:  
Multiple/Portion:  
First Loan: \$505,000.00  
Loan Type: Conventional  
Interest Rate Type:  
Second Loan  
Amount:

Item5 - Transaction Date: 03/06/2020

## Transfer

APN: 5415-009-041  
Buyer/Borrower: THE CHENEY SHAPIRO 401K  
WILMINGTON SAVINGS FUND  
Seller: SOCIETY; NRP MORTGAGE TRUST  
I  
Title Company  
Transaction  
Value: \$720,000.00  
Transaction  
Type: Transfer  
Deed Type: Grant Deed  
Doc #: 20-0268718 [view doc](#)

Item6 - Transaction Date: 01/29/2020

## Transfer

APN: 5415-009-041  
WILMINGTON SAVINGS FUND  
Buyer/Borrower: SOCIETY FSB; NRP MORTGAGE  
TRUST I  
Seller: LENDINGHOME FUNDING CORP  
Title Company  
Transaction  
Value: \$690,000.00  
Transaction  
Type: Transfer  
Deed Type: Quit Claim Deed  
Doc #: 20-0109711 [view doc](#)

(cont)

# Property History

Item7 - Transaction Date: 12/24/2019

## Transfer

APN: 5415-009-041

Buyer/Borrower: [LENDINGHOME FUNDING CORP](#)

Seller: 1968 AVON LLC

Title Company

Transaction Value: \$690,000.00

Transaction Type: [Transfer](#)

Deed Type: [Trustee's Deed \(Certificate of Title\)](#)

Doc #: [19-1438973](#) [view doc](#)

Item8 - Recording Date: 11/12/2019

Notice of Sale

APN: 5415-009-041

Trustor:

Trustee:

Delinquent Amount:

Original Loan Date:

Original Loan Amount:

Beneficiary:

Doc #: [19-1219833](#) [view doc](#)

Item9 - Recording Date: 8/9/2019

Notice of Default

## Notice of Default

APN: 5415-009-041

Trustor:

Trustee:

Delinquent Amount:

Original Loan Date:

Original Loan Amount:

Beneficiary:

Doc #: [19-0796232](#) [view doc](#)

(cont)

# Property History

Item10 - Transaction Date: 04/30/2018

## Refinance

APN: 5415-009-041  
Buyer/Borrower: 1968 AVON LLC  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: Refi  
Deed Type: Building or Construction Loan  
Doc #: 18-0416469 [view doc](#)

## Mortgage Record

Lender: LENDINGHOME FUNDING CORP  
Full/Partial:  
Multiple/Portion:  
First Loan: \$999,900.00  
Loan Type: Building or Construction Loan  
Interest Rate Type:  
Second Loan  
Amount:

Item11 - Transaction Date: 04/30/2018

## Transfer

APN: 5415-009-041  
Buyer/Borrower: 1968 AVON LLC  
Seller: SA DEVELOPMENT LLC  
Title Company  
Transaction Value: \$915,000.00  
Transaction Type: Transfer  
Deed Type: Grant Deed  
Doc #: 18-0416468 [view doc](#)

Item12 - Transaction Date: 08/01/2017

## Refinance

APN: 5415-009-041  
Buyer/Borrower: SA DEVELOPMENT LLC  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: Refi  
Deed Type: Commercial Loan  
Doc #: 17-0868199 [view doc](#)

## Mortgage Record

Lender: TRIUMPH CAPITAL PARTNERS LLC  
Full/Partial:  
Multiple/Portion:  
First Loan: \$531,250.00  
Loan Type: Commercial Loan  
Interest Rate Type:  
Second Loan  
Amount:

(cont)

# Property History

Item13 - Transaction Date: 08/01/2017

## Transfer

APN: 5415-009-041

Buyer/Borrower: SA DEVELOPMENT LLC

Seller: PROPHET LOAN TRUST; FIVE MILE  
PROPHET LOAN TRUST

Title Company

Transaction  
Value: \$627,500.00

Transaction  
Type: Transfer

Deed Type: Grant Deed

Doc #: 17-0868198 [view doc](#)

Item14 - Transaction Date: 03/13/2017

## Transfer

APN: 5415-009-041

Buyer/Borrower: FIVE MILE PROPHET LOAN  
TRUST

Seller: ECO MODULAR INC

Title Company

Transaction  
Value: \$729,979.00

Transaction Type: Transfer

Deed Type: Trustee's Deed (Certificate of Title)

Doc #: 17-0283905 [view doc](#)

Item15 - Recording Date: 2/6/2017

Notice of Sale

APN: 5415-009-041

Trustor:

Trustee:

Delinquent Amount:

Original Loan Date:

Original Loan Amount:

Beneficiary:

Doc #: 17-0149471 [view doc](#)

(cont)

# Property History

Item16 - Recording Date: 9/21/2016

Notice of Default

## Notice of Default

APN: 5415-009-041

Trustor:

Trustee:

Delinquent Amount:

Original Loan Date:

Original Loan Amount:

Beneficiary:

Doc #: 16-1143260 [view doc](#)

Item17 - Transaction Date: 04/06/2016

## Transfer

APN: 5415-009-041

Buyer/Borrower: DBKNS PROPERTIES LLC

Seller:

Title Company

Transaction Value:

Transaction Type: Transfer

Deed Type: Release of Mortgage

Doc #: 16-0379506 [view doc](#)

Item18 - Transaction Date: 02/05/2016

## Transfer

APN: 5415-009-041

Buyer/Borrower: DBKNS PROPERTIES LLC

Seller:

Title Company

Transaction Value:

Transaction Type: Transfer

Deed Type: Release of Mortgage

Doc #: 16-0135316 [view doc](#)

(cont)

# Property History

Item19 - Transaction Date: 01/29/2016

## Refinance

APN: 5415-009-041  
Buyer/Borrower: ECO MODULAR INC  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: Refi  
Deed Type: Unknown Loan Type  
Doc #: 16-0109098 [view doc](#)

## Mortgage Record

Lender: CONQUEST CAPITAL PARTNERS LLC  
Full/Partial:  
Multiple/Portion:  
First Loan: \$798,500.00  
Loan Type: Unknown Loan Type  
Interest Rate Type:  
Second Loan  
Amount:

Item20 - Transaction Date: 01/29/2016

## Transfer

APN: 5415-009-041  
Buyer/Borrower: ECO MODULAR INC  
Seller: DBKNS PROPERTIES LLC  
Title Company  
Transaction Value: \$700,000.00  
Transaction Type: Transfer  
Deed Type: Grant Deed  
Doc #: 16-0109097 [view doc](#)

Item21 - Transaction Date: 01/29/2016

## Transfer

APN: 5415-009-041  
Buyer/Borrower: DBKNS PROPERTIES, LLC  
Seller:  
Title Company  
Transaction  
Value:  
Transaction  
Type: Transfer  
Deed Type: Substitution of Trustee and Full Reconveyance  
Doc #: 16-0109096 [view doc](#)

(cont)

# Property History

Item22 - Transaction Date: 01/29/2016

## Transfer

APN: [5415-009-041](#)

Buyer/Borrower: [DBKNS PROPERTIES, LLC](#)

Seller:

Title Company

Transaction

Value:

Transaction Type: [Transfer](#)

Deed Type: [Substitution of Trustee and Full Reconveyance](#)

Doc #: [16-0109095](#) [view doc](#)

Item23 - Recording Date: 11/23/2015

Notice of Sale

APN: [5415-009-041](#)

Trustor:

Trustee:

Delinquent Amount:

Original Loan Date:

Original Loan Amount:

Beneficiary:

Doc #: [15-1467657](#) [view doc](#)

Item24 - Recording Date: 8/13/2015

Notice of Default

## Notice of Default

APN: [5415-009-041](#)

Trustor:

Trustee:

Delinquent Amount:

Original Loan Date:

Original Loan Amount:

Beneficiary:

Doc #: [15-0993247](#) [view doc](#)

(cont)

# Property History

Item25 - Transaction Date: 01/09/2015

## Refinance

APN: [5415-009-041](#)  
Buyer/Borrower: [DBKNS PROPERTIES LLC](#)  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: [Refi](#)  
Deed Type: [Unknown Loan Type](#)  
Doc #: [15-0030529](#) [view doc](#)

## Mortgage Record

Lender: [ANDREW WASSEF](#)  
Full/Partial:  
Multiple/Portion:  
First Loan: [\\$252,000.00](#)  
Loan Type: [Unknown Loan Type](#)  
Interest Rate Type:  
Second Loan Amount:

Item26 - Transaction Date: 01/09/2015

## Refinance

APN: [5415-009-041](#)  
Buyer/Borrower: [DBKNS PROPERTIES LLC](#)  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: [Refi](#)  
Deed Type: [Unknown Loan Type](#)  
Doc #: [15-0030528](#) [view doc](#)

## Mortgage Record

Lender: [ENTRUST GROUP](#)  
Full/Partial:  
Multiple/Portion:  
First Loan: [\\$58,000.00](#)  
Loan Type: [Unknown Loan Type](#)  
Interest Rate Type:  
Second Loan Amount:

Item27 - Transaction Date: 10/17/2014

## Refinance

APN: [5415-009-041](#)  
Buyer/Borrower: [DBKNS PROPERTIES LLC](#)  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: [Refi](#)  
Deed Type: [Assignment of Mortgage](#)  
Doc #: [14-1098493](#) [view doc](#)

(cont)



# Property History

Item28 - Transaction Date: 09/26/2014

## Refinance

APN: 5415-009-041  
Buyer/Borrower: DBKNS PROPERTIES LLC  
Seller:  
Title Company  
Transaction Value:  
Transaction Type: Refi  
Deed Type: Unknown Loan Type  
Doc #: 14-1024594 [view doc](#)

## Mortgage Record

Lender: ANCHOR LOANS INC  
Full/Partial:  
Multiple/Portion:  
First Loan: \$634,000.00  
Loan Type: Unknown Loan Type  
Interest Rate Type:  
Second Loan Amount:

Item29 - Transaction Date: 09/26/2014

## Transfer

APN: 5415-009-041  
Buyer/Borrower: DBKNS PROPERTIES LLC  
Seller: MIDEL, FRED  
Title Company  
Transaction Value: \$455,000.00  
Transaction Type: Transfer  
Deed Type: Grant Deed  
Doc #: 14-1024593 [view doc](#)

Item30 - Transaction Date: 08/05/2014

## Transfer

APN: 5415-009-041  
Buyer/Borrower: MIDEL, FRED  
Seller: MIDEL, FRED; MIDEL, CRUZ  
Title Company  
Transaction Value: \$0.00  
Transaction Type: Transfer  
Deed Type: Intra-family Transfer or Dissolution  
Doc #: 14-0814113 [view doc](#)

(cont)

# Property History

Item31 - Transaction Date: 04/08/2005

## Transfer

APN: 5415-009-041

Buyer/Borrower: FRED MIDEL

Seller:

Title Company

Transaction

Value:

Transaction Type: Transfer

Deed Type: Substitution of Trustee and Full  
Reconveyance

Doc #: 05-0819928 [view doc](#)

Item32 - Transaction Date: 07/11/2002

## Refinance

APN: 5415-009-041

Buyer/Borrower: MIDEL, FRED; MIDEL, CRUZ

Seller:

Title Company

Transaction Value:

Transaction Type: Refi

Deed Type:

Doc #: 02-1585352 [view doc](#)

## Mortgage Record

Lender: FLAGSTAR BANK FSB

Full/Partial:

Multiple/Portion:

First Loan: \$120,000.00

Loan Type:

Interest Rate Type:

Second Loan Amount:

Item33 - Transaction Date: 07/11/2002

## Transfer

APN: 5415-009-041

Buyer/Borrower: MIDEL, FRED; MIDEL, CRUZ

Seller: MIDEL, FRED; MIDEL, CRUZ

Title Company

Transaction Value: \$0.00

Transaction Type: Transfer

Deed Type: Intra-family Transfer or Dissolution

Doc #: 02-1585351 [view doc](#)

(cont)

# Property History

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